

**CREDIT  
AND**

# **FINANCIAL MANAGEMENT**



**FEBRUARY  
1960**

**NUMBER 2  
VOLUME 62**

Techniques for Collection of Accounts

Office That Helps People "Feel Alive"

What Makes Good Financial Report

The Cover Picture

See Pages 5 and 12

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## In the News

DONALD M. GRAHAM, vice president, Continental Illinois National Bank & Trust Company, Chicago, Ill., has been appointed co-chairman of the annual Fall Conference of Northwestern University's Institute for Management.

H. PRENTICE BROWNING, president, American Fletcher National Bank & Trust Company, Indianapolis, Ind., has been named a trustee of the Methodist Hospital.

CLARENCE BREZEAL, manager, KCMO, Kansas City, Mo., recently was elected president of the Missouri Broadcasting Association.

WILLIAM T. BURY, personnel manager and branch accountant of the Detroit Steel Corporation, has been elected to the board of directors of the Camden (N.J.) Chamber of Commerce.

EARL M. DICKSON, Sr., secretary and treasurer, Parker Company, Denver, has been elected president of the Farm Equipment Wholesalers Association. Mr. Dickson is a past director of the Rocky Mountain Association of Credit Men, Inc.

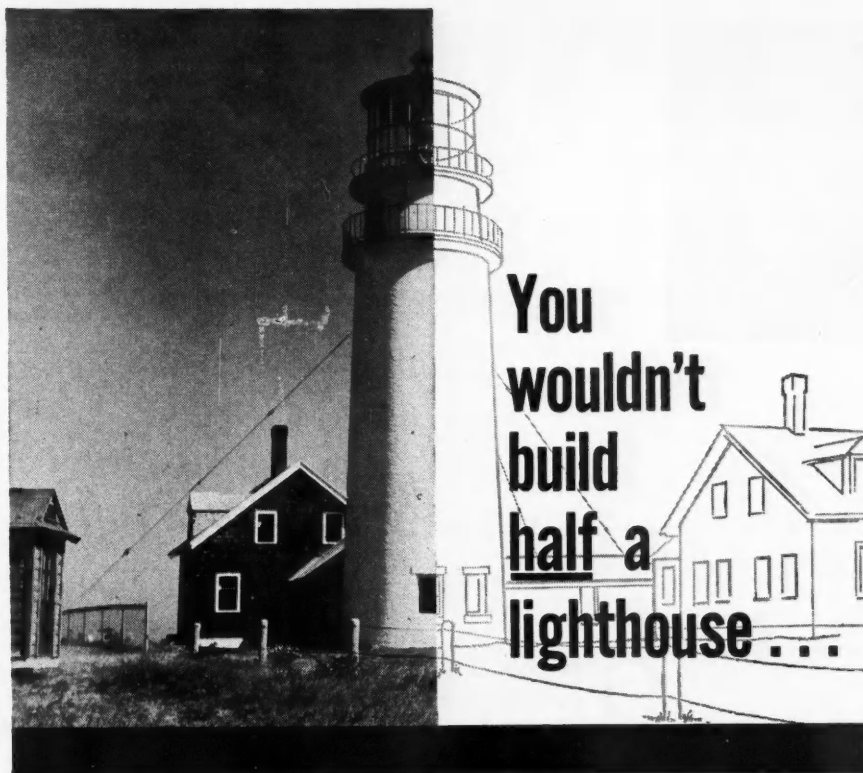
C. HUNTER CULLEY II, president, Liberty Brazing & Welding Company, Pittsburgh, has been selected secretary of the Smaller Manufacturers Council of the Chamber of Commerce of Pittsburgh.

E. F. WONDERLIC, president of General Finance Corporation, Evanston, Ill., and F. R. WILLS, president General Acceptance Corporation, Allentown, Pa., have been respectively elected president and executive committee chairman of the American Finance Conference.

WENDELL B. BARNES, who resigned as administrator of the Small Business Administration, Washington, is now a special consultant on investment banking in Shearson, Hammill & Co., New York.

*In a beauty shop just the gossip alone would curl your hair.*

—Changing Times



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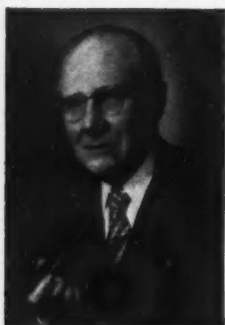


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## EDITORIAL

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### *Salesman Profits By Study Of Credit*

ONE would not ordinarily look for a school of salesmanship in a class devoted to credits and credit technique. However, a young salesman, on completing a year of faithful credit class work through the National Institute of Credit, declares that the information and inspiration which came out of that year's work have already brought a marked improvement in the quality and value of his work in business.

His study of credits, he tells us, has broadened and deepened his capabilities so that he is intelligently discussing his customers' most vital problems with them and strengthening his hold on them because he is better able to render them service.

He has definitely learned the underlying reasons that impelled his company to adopt certain credit and financial policies which previously annoyed him and which he had not been able to defend intelligently against customers' comments, complaints or attacks. With no little pride he told me:

*"I am presently not having any of my orders turned down by the credit department, because I know now how losses and slow accounts weigh down my company; and I do not go after some of the kind of business that I formerly sought, but focus my effort and attention on that which is most worthwhile and by prompt payment will yield a profit."*

If this young man's experience counts for anything, clearly the business world would enter a new era if salesmen had the grounding in credits he has acquired. Friction between sales and credit departments would never be heard of. The salesman's new consideration would be not what he can worm out of a customer in the way of orders, but how much he can put into the account's operation to make for better and more profitable business.

The Association's NIC course has provided this young salesman with sound business training. When his time comes, he will be better prepared to assume the reins of business control because of the year of evening classes devoted to credit studies early in his career.

Most of our Local Associations are continuously conducting National Institute of Credit courses. Why not team up with sales as well as credit trainees, in projecting a study of credit methods and policies, for maximum coordination and cooperation between sales and credit departments?

*Edwin R. Morae*

EXECUTIVE VICE PRESIDENT



## THE FEBRUARY COVER

THERE is such a thing as success in reverse, that is, helping a customer to profit by refusing to accept his orders.

Here is a contractor with net worth of \$60,000 who consistently has discounted on credit supplies in low five-figure amounts. Comes a call from him requesting acceptance of an order in excess of \$250,000.

The supplier's decision, and the factors prompting it, are recounted on page 12 by John E. David, now assistant to the financial manager, southern district, Graybar Electric Co., Inc., Atlanta. Before his promotion he was financial manager at the Charlotte branch.

In the cover picture he is standing



between A. A. Wilson (seated), Graybar's manager at Charlotte, and A. S. Long, Jr. (left), operating manager there.

Mr. Wilson, graduate of Danville Military Institute and Virginia Tech, had been shipping and receiving clerk in Graybar's Roanoke office before obtaining his college degree. He returned to enter the company's office service at Richmond.

Transferred to Winston-Salem as service supervisor, thence to Durham as salesman, back to Winston-Salem as salesman after discharge from Army duty, he was advanced in 1951 to manager at Ashville, two years later to Charlotte as manager.

A. S. Long, Jr., born in Richmond and graduate of Virginia Tech, started with Graybar in the service department, transferred to sales, and on return from five years in the Air Force was made head office salesman in Richmond, later supervisor of training for the district. In 1951 he became operating manager at Charlotte.

A biographic sketch of Mr. David is on page 12.

# FINANCIAL MANAGEMENT

General Manager, Edwin B. Moran  
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VOLUME 62

NUMBER 2

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# Washington

CL PLACING industry's 1959 investment in plant and equipment 7 per cent above the 1958 level, the Department of Commerce and the Securities and Exchange Commission predict that the first quarter this year will show another small increase, to \$34.4 billions.

The Government agencies' report indicated that the expansion, even before the steel strike, had been slower than after either of the previous two postwar recessions.

CL BANKS with especially large holdings of cash in their vaults are now permitted by the Federal Reserve Board to count part of that cash in the reserves they are required to maintain. The Board estimates that the decision makes as much as \$230 millions of reserves available, and permits additional credit of several times that amount.

The Board explained that the action, which was effective in December, was an annual program to meet heavy seasonal demands for credit. It affects half the 6,250 banks in the System. Counting vault cash as part of a bank's cash was authorized by a 1959 law requested by Federal Reserve.

CL MOST business executives lean so far backward on their expense accounts that they usually experience a loss, the tax-writing ways and means committee of the House was told by witnesses who advised against any additional limitations on income tax deductions of reasonable, ordinary and necessary business expense.

CL CONSTRUCTION's physical volume this year will match the 1959 record, the Department of Commerce predicts. Dollar outlay will rise 2 per cent, to \$55.3 billions—this, however, reflecting higher prices.

Home and highway building will be down, says the forecast, but schools and commercial and industrial projects should show an increase. Therefore, "new construction should act as a stabilizing force but not contribute to the overall economic expansion as it did in 1959". This was prefaced on assumption the steel strike would not be resumed, now confirmed.

CL WHILE there may be no deficit spending in 1960 by the Federal Government, the bond market may well remain under pressure, according to the governmental securities com-

mittee of the Investment Bankers Association of America.

Noting that commercial banks are likely to find it difficult to maintain statutory reserves against deposits under increased credit demands from individuals and business, "other investors may be called on to absorb a substantial liquidation of governmental securities from banks and corporations", the committee stated.

CL GREATER Social Security benefits and higher income exemption for the aged rather than special income tax treatment were recommended by a group of welfare authorities before the House ways and means committee.

They proposed allowances for hospital and nursing home care, increase in the \$1,200 limitation on outside work by Social Security recipients, and a tax credit for income below a specified level.

CL RAYMOND J. SAULNIER, chairman of the President's council of economic advisers, has been appointed to the Federal National Mortgage Association (Fannie May).

CL RAPID RECOVERY of European industry, stimulated by the steel strike in the United States, has increased the competitiveness of western European steel exports, the Economic Commission for Europe reported to the United Nations in New York. Japanese steel shipments also rose.

CL THE TARIFF SYSTEM for imported woollens and worsteds has caused "dislocation, disruption, distortion and damage to important segments of American small business", the American Trade Association for British Woollens contends in a statement by its counsel, Bernard B. Smith, for the Tariff Commission.

CL CEASE DISCRIMINATING against dollar imports, the Organization for European Economic Cooperation urges its 18 member nations. In its annual review the OEEC notes the U.S. unfavorable trade balance as a result of a decline in exports.

"Disappearance of balance-of-payment difficulties in most (OEEC) member countries should be followed by removal of remaining discrimination on dollar imports, in the interest of world trade", says the Organization.

**OFFICIAL TEXTS** — of all mobilization agency regulations may be had, free of charge, by writing the Information Division of the agency involved, Washington 25, D.C.

**THE FEDERAL REGISTER**—a Government daily publication, which contains full texts of all regulations, is available from the Superintendent of Documents, also at Washington 25, D.C.

¶ A 15 per cent drop in farmers' net realized income indicated for 1959 is likely to be followed by another decrease of half that amount this year, with the lowest level since 1942 as the result, says the department of commerce.

The 1959 realized net income (after production expenses) was placed at the rate of \$11.2 billions a year compared with \$13.1 billions in 1958, and \$10.25 billions for 1960.

¶ AGAIN a boost in the Government's estimate of the 1959 cotton crop, which is now put at a total 14,801,000 bales. The 1948-57 average year was 14,046,000 bales.

With the latest official forecast placing the 1959 corn crop above 4.4 million bushels, a 16 per cent half-million bushel increase, a carry-over of 2 million bushels at the end of the season was indicated, practically all of it to be held by the Government.

¶ ASSETS of U. S. corporations now approximate one trillion dollars, the Internal Revenue Service concluded from a statistical study of corporation tax returns for the 1958 fiscal year. It showed assets totaling \$996,531,000,000. Corporations' total sales and receipts were at a record \$685 billions, on which they paid \$20.6 billions of income taxes.

¶ A TASK FORCE has been organized by the Federal Trade Commission to bear down on violators of the Robinson-Patman Act which stipulates that sellers must provide equally proportionate terms to all buyers.

Addressing the Grocery Manufacturers of America in convention in New York, Earl W. Kintner, commission chairman, said it was conducting 125 restraint-of-trade inquiries in the food industry, 12 cases of allegedly deceptive practices, and 260 anti-monopoly investigations.

¶ GOLD EXODUS from the United States to foreign countries in 1959 was \$200 millions greater than previously estimated, according to figures put out by the Federal Reserve Bank of New York.

¶ CONGRESS should reduce or eliminate the requirement that compels Federal Reserve Banks to immobilize \$12 billions in gold as a 25 per cent reserve against their note and deposit lia-

bilities, says Dr. Ray L. Reiersen, vice president and chief economist, Bankers Trust Company of New York.

There is no dollar crisis in prospect but foreign countries are concerned by the drop in "free" gold to \$7.5 billions and the increase of short-term dollar liabilities to foreigners and international institutions to \$19 billions, Dr. Reiersen told a management conference of the Southwestern Bell Telephone Company, in Galveston.

¶ INVESTMENTS in France from abroad have risen since the start of last year, except from Italy and the dollar countries, says the French Economic Council. Dollar investments the first six months of 1959 totaled \$49.3 millions contrasted with \$80.5 the first half of 1958 and \$66.2 the second half. Italy's fell off to 1.46 million lire the first half of 1959.

¶ FOLLOWING announcement by the Bureau of Statistics at Ottawa, Ont., that Canada in seven months had experienced a doubling of its trade deficit — to \$459.8 millions — Cyrus S. Eaton, U. S. industrialist, asserted at Regina, Sask., that "an official policy of tight money and high interest rates, influenced by central banks or governmental authorities, is not helpful to the general economies of Canada and the United States."

"It is the newer and smaller borrowers that find themselves hamstrung," said the chairman of the Chesapeake and Ohio Railway and the Steep Rock Iron Mines, Ltd., addressing the annual conference of Canada's Provincial Mines Ministers. He added that "the partiality of American investors for Canadian securities further sharpens the bidding for Canadian dollars."

Import trade of Canada expanded at a 10 per cent rate the first seven months last year.

¶ INCREASE of \$11.8 millions in dollar value of prime Government contracts awarded small business under SBA's set-aside program was reported for July-October 1959 over the same four months the preceding year.

As of December 19, 1959, small business definitions established by SBA for sale of Government-owned property other than timber were changed to read: manufacturer employing not more than 500 persons; non-manufacturer, the three preceding years' average annual sales volume or receipts (less returns and allowances) \$5 millions or less; and stockpile purchaser primarily buying materials not domestically produced, annual sales or receipts \$25 millions maximum. For purchase of Government-owned timber (effective Oct. 16, 1959), an independently owned concern primarily engaged in logging or forest products is considered small business if employing not more than 250 persons.

With Philip McCallum now SBA administrator following the resignation of Wendell B. Barnes, Lary Dixon Gilbertson has succeeded Mr. McCallum as general counsel.





# COLLECTION TECHNIQUE

## *Credit Managers Emphasize Sales Factor, Tabulating Equipment*

WITH money tight, labor-management differences pressing upon production and distribution, and competition underscoring two of the credit executive's functions—increasing the company's profit sales volume and then getting the money into the bank—a panel discussion of practicable collection techniques takes on special timeliness.

Outstanding was such a presentation by credit and collection executives before members of The Credit Men's Association of Eastern Pennsylvania.

Panelists and their topics were: "Efficient Systems for Invoicing and Disclosing Past-Due Accounts Promptly", by James T. Dunn, credit manager of Supplee-Biddle Steltz Company, Philadelphia; "Follow-Up Collection Methods Which Produce Results", by Harry W. Binder, credit manager International Latex Corporation, Dover, Del.; "Handling the Marginal Accounts", Brooks Webster, credit manager Automotive Division, The Electric Storage Battery Company, Philadelphia; and "Collections by Outside Agencies", George Ashe, manager of the association's collection department.

The moderator was A. J. Schneider, assistant cashier The Philadelphia National Bank.

### Modernized Tabulating Equipment Aids Control of Marginal Accounts

JAMES T. DUNN, *Credit Manager, Supplee-Biddle Steltz Company, Philadelphia, Pennsylvania*

ONE of the creditman's important functions is handling and controlling marginal accounts. In accomplishing this task, he is productive as a sales factor.

If he tolerates delinquency, he is inviting bad debt losses. Unless he is promptly aware of past due conditions, as they arise, they can become a major problem if thousands of accounts are involved.

Improved tabulating equipment gives an opportunity to control such a situation. Use of tabulating equipment tends to reduce costs while handling greater volume, just as the airlines invest in larger and more expensive jet planes to carry greater payloads faster.

Pre-billing is a feature of such a system. The bill and the merchandise reach the dealer at the same time. The merchant can check and price his goods at once, merchandising them without delay. Too, he is immediately aware of his obligation and can pay it promptly.

#### *No Fumbling, Losing, Misplacing*

The whole procedure should be one of satisfaction to the dealer. No fumbling with unpriced packing slips or wondering about costs. No losing or misplacing an invoice arriving several days after delivery of the goods.

Invoices can be used to spot slow payers by simply filing an extra copy of each invoice under the date it is due. Each day a clerk compares the due accounts with the customer's ledger, destroys paid invoices and types a statement for the unpaid ones. The invoice goes to the tickler file for an appropriate waiting period, then if it remains unpaid at the end of this time the creditman decides upon further follow-up action.

(Turn to P. 10, Col. 2)

### Full Cooperation of Sales Staff Essential in Monitoring Marginals

BROOKS WEBSTER, *Credit Manager, Automotive Division, The Electric Storage Battery Company, Philadelphia*

WE HAVE a little more than the average number of exposures on accounts which we could consider marginal in nature. We have these accounts more or less by design.

In the automotive business, storage batteries normally have been sold through general line automobile parts distributing houses. These houses sell to garages and filling stations such other items for replacement as spark plugs, mufflers, generators, valves, piston rings.

This type of distribution of batteries began to break up after World War II, as the manufacturer found it necessary to give this distribution price to houses which did not actually qualify as distributors. Too, distributors lost some interest in the battery business in that the margin of profit was not high enough for their taste.

Into the breach came a large number of specialists who sold batteries only—or perhaps one or two companion lines such as ignition points or rebuilt generators—and sold them off a truck on a regular route. At any rate, they sold large numbers of batteries.

For this reason our company found it necessary to change its tactics. Part of this change involved going after this so-called "Wagon Jobber" business. We made other changes too, in price and manufacturing processes.

This led us to commence selling marginal accounts deliberately, because that was where the battery volume was to be obtained. These "Wagon Jobbers" were mainly marginal risks. Many of them had \$500 or so in the bank, owned a truck, had \$5,000 or less in inventory, and

# TO CONTROL ACCOUNTS



COLLECTION TECHNIQUES was the general subject for discussion by these panelists before The Credit Men's Association of Eastern Pennsylvania. Left to right: George Ashe, manager of the association's collection department; James T. Dunn, credit manager Supplee-Biddle Steltz Co.; A. J. Schneider, assistant cashier The Philadelphia National Bank, moderator; Brooks Webster, credit manager Automotive Division, The Electric Storage Battery Co., and H. W. Binder, credit manager International Latex Corp.

\$5,000 in accounts payable. Yet they could do \$50 to \$100 thousands worth of business a year for you.

This program began in 1955. In the ensuing years we have learned a lesson or two on handling these accounts. One is to handle them and not let them handle you.

Do everything you can to protect yourself at the outset; if you do, collection of the account will be very much easier later. Get all the security you can find before you commence doing business, and set down all the rules in very definite language.

The marginal account needs credit because of the very fact that it is marginal. If this type of account will not do all the things you would ask in keeping with general sound business practices, you had better not get started at all. He should be willing to give you any security he has available, such as a property mortgage, or guaranty. In addition, he should be willing to maintain and supply you with proper financial information, inventory reports and such other data as you may require.

We learned that it is necessary to obtain full cooperation of the sales staff in the handling of these accounts. We distribute nationally, and our only credit office is in Philadelphia. Marginal accounts need extra attention, and Credit could not possibly get around to attend to them all.

## Sales Has Part Responsibility

It was therefore made a vital part of the plan that the sales personnel have a direct responsibility in the management of these accounts once established. The salesman goes in personally each quarter to take an inventory, helps prepare certain reports, and generally monitors the account.

Salesmen being by nature most interested in getting a new account, it is sometimes difficult to get them to care for these details in connection with the account already on the books. The credit department has to be prepared to school the salesman; at least we found it so. Our salesmen had not had any connection with such

(Continued on page 30)

## Four Important Basic Factors in Formulation of Collection System

HARRY W. BINDER, *Credit Manager, International Latex Corporation, Dover, Delaware*

THERE are various types of collection follow-up systems in use today. The type selected is usually influenced by the system employed for invoicing customers and for recording accounts receivable.

Invoicing may be by typewriter, billing machine, punched cards, or electronic equipment. Your first collection reminder might be a by-product of the invoicing.

The accounts receivable may be recorded on the old reliable ledger card, the so-called "bookless bookkeeping" or "SUIAP," punched cards, or even a magnetic drum.

In the formulation of a collection system, the policies of the creditor are basic. The collection policy should, to a degree, depend upon the credit policy. While some may not agree, if you want maximum distribution it seems to me that a liberal credit policy and a strict collection policy are the answer.

Policies are governed by certain considerations or factors. Among the more important ones are the classes of debtors, the nature of the business, the margin of profit and character and degree of competition. Let's discuss each of these.

*Classification of debtors.* Not all delinquents can be treated alike because of differences in temperament and other personal characteristics, in the quality of the risk they represent, and in their value as customers.

Accounts are frequently classified into several groups so that each group can be treated in the manner that is likely to be most beneficial. The classifications vary. The breakdown some firms use is: 1. Good Risks; 2. Fair Risks; 3. Poor Risks.

Another breakdown is: 1. Can pay and intends to do so; 2. Can pay but won't; 3. Can't pay.

(Turn to p. 10, col. 1)

*Nature of the business.* Collection methods and practices tend to vary with the line of trade and with the method of operation of the seller. Firms selling on the instalment plan are usually more prompt in going after past-due accounts and are frequently more aggressive. A business with a wealthy clientele may be more lenient than one selling to a low-income group.

*Margin of Profit.* A business operating on a small margin of profit can ill afford to engage in prolonged and costly collection activities. A wide profit margin, however, enables the creditor to adopt a more lenient collection policy.

*Nature of Competition.* Leniency in collections, no less than in credit granting, is a form of service competition. Strong price competition can cause a business to adopt various policies to keep costs at a minimum, including a policy of prompt collections.

The factors just discussed cause the collection policies of various firms to differ greatly. Some will begin the collection effort within five days after maturity. Others may wait 30 days or even longer. Mercantile creditors usually commence action more promptly than retailers.

Waiting too long to start the collection followup may have a psychological effect upon the delinquent. It may give him the impression that you are lax and not too much concerned about when payment is made.

**Promptness in following collections shows the delinquent that you do expect payment on time. Moreover, by clearing up the debt, the customer is placed in a position to buy more of your goods, whereas he might buy them from a competitor while the account remains delinquent.**

Once collection effort has commenced, it should continue with regularity. Too great a lapse of time between efforts may cause the obligation to tend to fade from a debtor's mind. Reminding the customer of his debt promptly, regularly and courteously will usually gain his respect. Furthermore, the regularity tends to help the customer develop good payment habits. It also helps keep him in position to order more goods.

#### ***Preplanned Collection System***

Where thousands of accounts are handled, as in the case of a department store, or a manufacturer selling direct to retailers, it is usually impractical from the standpoint of cost to give each account individual treatment. Consequently a preplanned collection system is almost a necessity. A methodical, preplanned collection system, adapted to differing collection needs yet providing uniform treatment for all comparable cases, will do much to make the collection effort economical, efficient and effective.

Under such a system, pressure on the debtor is increased gradually until payment is received or some drastic action is taken, such as placing the account in the hands of the creditmen's association for collection, or the charging off of the balance.

Each step should make a deeper impression upon the delinquent. At the same time the system should be flexible enough to allow for differences in the debtors' personalities, payment records, financial ratings, and value as customers. It should provide for individual handling when circumstances suggest it.

In establishing the collection followup system, consideration must be given to the length of time involved

in the entire collection process. Is the policy to be liberal with several months allowed before all reasonable collection effort is exhausted, or is it to be strict with the collection process completed within a few short weeks?

Another question that arises has to do with the types of collection efforts. These may consist of invoice copies, statements, letters, telegrams, telephone calls, certified letters, drafts, promissory notes, personal calls, the use of collection agencies or attorneys and law suits.

How many steps will there be? Usually, the more lenient the greater the number of steps. Keeness of competition, the need for increased sales volume, and the margin of profit may well influence the decision.

After the number and kinds of efforts are decided upon, their sequence is determined. The milder measures are used first, followed by more stringent methods, arranged in order of their severity.

Finally, to be determined is the length of time elapsing between the different steps. My opinion is that normally the intervals should be shortened as the age of the debt lengthens. In the early stages, 15 days may elapse. In the later stages this may be shortened to five days.

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## **MODERNIZED TABULATING EQUIPMENT**

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*(Concluded from page 8)*

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This method is not recommended, however, where the problem concerns thousands of dealers, many of them purchasing daily. Here the credit department could well be handling reams of paper without achieving the desired efficiency.

With tabulating equipment, a better method to disclose delinquency may be attained by building the collection efforts around the dealer's monthly statement.

This is prepared monthly by the Data Processing Division from accounts receivable punch cards. Such statement should be a continuous form made up of three copies. The white original is mailed directly to the dealer, the green duplicate is forwarded to the sales representative servicing the customer, and the pink triplicate is retained in the credit department. The Credit copies are suitably filed in loose leaf binders for ready access. These statement books of customer accounts remain with the creditman for quick reference and will be referred to hundreds of times in the month for myriad reasons.

The statement is an accounts receivable ledger around which the collection activities pivot. It is a centralized listing of the accounts receivable tabulating cards. Therefore, it may also be used as a source of information to regain the record of a card which has been lost.

In addition, it eliminates the necessity for the creditman to handle quantities of tabulating cards when discussing the account with the dealer or the sales department.

The statement can be so designed that, when folded, the dealer's name and address are in position for use of window envelopes. The date of statement, the salesman's name or code number, together with the dealer's account number, should follow on the right side of the heading.

The body of the statement includes columns for the



# NACM's New Address February 1, 1960

Beginning February 1st, our new address will be

**NATIONAL ASSOCIATION OF CREDIT MANAGEMENT**

**44 EAST 23rd STREET**

**NEW YORK 10, N. Y.**

*The above will be the address of all CFM service corporations, Credit Research Foundation, Inc. and The National Institute of Credit.*

*All editorial and advertising communications and material for Credit and Financial Management Magazine should be directed to new address as of February 1.*

date of invoice, invoice number, remarks, delinquency of invoice, and invoice amount. Also desirable is a second or duplicate amount column, divided from the rest of the statement by a perforated line for easy separation. This column appears on only the dealer's copy and is identified by the dealer's account number.

A printed note at the top of the column advises the dealer the column is intended for his convenience to use as a remittance advice slip. The dealer can quickly check the amounts being paid and return the slip with his check. The balance of the statement he retains for his records. The idea is to make it as easy as possible for the dealer to get his check to you with a minimum of effort.

The statement is intended to bring the past-due condition to the immediate attention of the dealer, the sales representative, and the creditman. Each delinquent invoice is pointed out by a star appearing in the proper past-due column, showing the invoice to be 30/60, 60/90, or over 90 days beyond due-date.

On receipt of his copy of the monthly statement, the salesman is at once aware of the past-due invoices on his customers accounts. In his desire to keep the account saleable, he will attempt to get payment or promise of it to expedite passage of his orders through the credit department.

Furthermore, the dealer has the past-due items clearly pointed out and should promptly send his check or advise reasons for delaying payment. Such pinpointing of past-due invoices will get faster dealer action, whereas previously a letter was needed to follow the monthly statement in order to get the same information and in many cases the payment.

The statement book is a tool around which the creditman can build his monthly collection program. Notes from telephone calls, copies of form letters and personal letters originating from his first trip through the book, begin to appear from the tickler file after an initial waiting period. If the statement shows the invoice unpaid,

the creditman continues the collection cycle until the delinquent account is again in a current condition.

Payments are posted to the statement daily to inform the credit department of collection progress.

In addition, an analysis or ageing of accounts receivable should come to the credit department weekly so that it may keep abreast with current sales. This record follows the regular form and should include a column showing the amount of extended terms, or datings, given each account. The accounts should be listed in the same order as the statement books for easy reference.

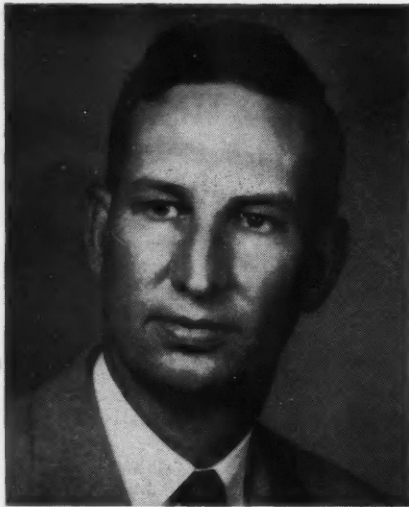
Consideration should be given to automatic credit systems. Thousands of customers with excellent credit do not need order processing through the credit department once their accounts have been put on open terms.

With tabulating equipment, a system of symbols can be devised to accomplish this goal, thus giving the credit department more time for collection efforts. Additional time is gained when the system is used at pick-up counters, customer service stations, and branch sales offices. It eliminates phone calls to the credit department on many good accounts and expedites service to dealers. The creditman's knowledge of his dealers and salesmen and his statement control enable him to make changes and keep a check on any excessive automatic credit.

Now with the new improved tabulating equipment, such as RAMAC, automatic credit control becomes an important aid to the creditman and may well be the greatest credit control he ever has had.

Memory units in the new computer will record a credit limit on each account. It will add the purchases, subtract the dealer's payment, and if an order is received that, when added to the balance in the memory unit exceeds the credit limit, the order will be rejected. It is then referred to the credit department for its decision. RAMAC will reject orders on accounts that have past-due invoices in the memory unit, regardless of the limit set.

It is doubtful if you could have a faster system for disclosing past-due accounts.



By **JOHN E. DAVID**  
*Assistant to Financial Manager  
Southern District  
Graybar Electric Company, Inc.  
Atlanta, Georgia*

*The following article was written  
previous to Mr. David's promotion  
from financial manager for the com-  
pany's Charlotte branch.*

**T**HIS might be called a success story in reverse, because credit was refused on an order for more than one quarter million dollars and at the time the customer was extremely unhappy. We disliked losing an order of this size and weighed very carefully the pros and cons before making the decision that could cost us the future business of a fast growing contractor who had favored us with a substantial volume from the inception of his business.

In 1953, a contractor we shall call XYZ Electric Company, an individual proprietorship, called our district office and wanted to know, within two days, if we would accept an order from him in excess of \$250,000 if he were low bidder on a special type construction project. He pointed out that he already had prepared his bid and had made arrangements to get bonded but, because of the size of the order, thought he had better check with us before submitting his bid.

#### **Net Worth \$60,000**

The XYZ Electric Company had been in business one and a half years. A current balance sheet reflected a net worth of approximately \$60,000. Good growth had been made consistently. The owner had years of experience as superintendent for a large company handling

## MANAGEMENT AT WORK

### *.... a problem case is solved*

jobs of the type on which he planned to bid. We had extended credit for low five-figure amounts, and payments without exception had been received within the discount period. Everything to this point unquestionably called for giving every possible consideration to handling the order.

The project was being financed by Federal funds loaned to a private corporation. The contractor was to be paid for only approved, in-place units. Completion of work was specified to be 365 working days from date of contract, and 10 per cent of each estimate would be retained until final inspection and acceptance of the project. These requirements, as you readily note, were stringent and presented several problems of sizeable proportion.

The XYZ Electric Company bid was to be approximately one-half million dollars. Retainage alone would more than absorb all his working capital. Experience had taught us estimates would be slow in clearing because of the routine and strict specification requirements when Federal funds are involved. He could get some bank assistance, but this would barely finance the 6 to 7 weeks minimum payroll that would have to be carried. To do this job, the contractor would have to devote most of his time for over a year to this one project and increase personnel three-fold. Other factors of major importance were also evident, such as possible price increases and limited labor market of special skills required.

When the decision to not handle this job was given the owner, he could hardly believe it, though our reasons were explained carefully. He felt sure he could do the job and was eager to tackle a sizeable project. Financing seemed to have been a secondary consideration and the other contingencies had not been given thorough study. He had his

final bid ready but when we gave him a negative answer he did not submit it. Later, announcement of bids showed that he would have been low bidder (by less than 1 per cent) had he entered his bid. This added to his consternation, to say the least.

#### **Two Clues for Caution**

I relate the details on this job for what I consider two very significant reasons. One is that a contractor who is getting along fine can be over-zealous in his efforts to go after jobs too large for his organization and finances.

A material supplier may extend credit on the strength of the bond in a desire to increase sales. This can be and often is a grave injustice to the contractor. In numerous cases of contractor failure, I have noted that the scope of work was larger than he should have been involved in, and that he would not have become involved had some supplier

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**J**OHN E. DAVID, who attended the University of Richmond, has been associated with Graybar Electric Company, Inc., since September 1948. Previously he had been with B. F. Goodrich Company two years, and with General Tire & Rubber Company, distributor in Richmond, for seven years.

Mr. David was president of the Carolinas Unit, NACM, before he was promoted from financial manager of Graybar's Charlotte branch to assistant to the financial manager for the southern district with offices in Atlanta.

The prime objective of his tenure of the Carolina Unit presidency was realized in September 1958 when Charlotte's first National Institute of Credit class convened at Queens College evening school, with 20 students attending.

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not been extending credit far in excess of that justified.

Secondly, there is a moral obligation on the part of material suppliers to counsel prudently and to have the courage to say "No" when a customer is getting out of bounds. In all too many cases they go along for the temporary gain. You hear of instances where, through elements of luck or for other precarious reasons, mountains are moved by weak forces, but for each of these there are hundreds of cases of dismal failure that could have been avoided.

The XYZ Electric Company has had a very healthy growth, and net worth now exceeds \$200,000. The contractor eventually realized that we had taken the proper stand. As a result, he has consulted with us on numerous occasions about various problems, knowing we will be frank in our counseling. We have for years now been his prime supplier and the volume has been several hundred thousand dollars. When I recently visited him he said he would always be grateful to us for having said "No" at a time when he could not see the forest for the trees.

The right answer on occasion can be "No," and the result will be a healthy long-term gain rather than a hazardous short-term profit, provided we make a proper appraisal and have the courage to stand by our convictions.

#### Automation Speeds Olympic Winter Games Data to World

To relay to the world as speedily as possible the results of the VIII Olympic Winter Games at Squaw Valley, Calif. this February, a number of Class 1250 Multilith Offset Duplicators of Addressograph-Multigraph Corporation have been shipped to the Olympics' site, for reproduction of some 120,000 bulletin sheets daily. International Business Machines Corp. electronic data processing equipment will in minutes compute the complex scoring data involved in various competitions, which under former methods have taken hours. The electronic computer will automatically list the finishers on a Multilith Offset Master at the rate of 150 lines a minute, at the same time it prepares a perforated tape to be fed into teletype networks for transmittal to the press.

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# What to Look for in Accountant's Report

—And How to Improve the Reports You Make to Top Management

By H. C. TODT  
Controller

Bristol Laboratories, Inc.  
Syracuse, New York

*The article herewith, adapted from an address before the American Society of Women Accountants, meeting in Syracuse, N.Y., has twofold interest to the credit executive. On the receiving end it provides him with clues as to what to look for in an accounting report and what a model report should contain. Subjectively the article can well be translated into suggestions for the credit manager's preparation of his reports to top management.*

**H**OW long has it been since you have reviewed the effectiveness of the reports issued by your department as a means of communicating clearly with other levels of management?



H. C. TODT

Whenever financial persons get together, it appears, the discussion at one

time or another touches upon reporting systems and techniques.

Two factors perhaps account for the interest. Reports as a working tool of good management are of great importance to the corporate welfare, and there is the realization that despite all our efforts we have not yet completely solved the riddle of effective communicating.

Good management is evidenced by effective communication, based upon good reports. It is difficult, therefore, to imagine anything more essential to sound business operations. All of us communicate, effectively or otherwise, throughout the working day. A study of the executive working pattern by the Dutch management consultant Luijk reveals that 60 per cent of an executive's time is devoted to communication in one form or another.

In defining communication, someone has said that it boils down to this: "Who—says what—by what media—to whom—with what effect?"

To many, this is very simple, and it is particularly true of the typical back-fence gossip, one of the most effective communicators who ever lived. Perhaps this is due to her simple philosophy, which she sums up this way: "You know, I hate to spread gossip. But, after all, what else can you do with it?"

## Scope Broadening

The art of effectively communicating financial information is by no means a back-fence proposition. This is due to the broadening scope of financial information, which must include not only the usual financial statements, such as balance sheet, profit and loss statement, and budget reports, but also reports which provide information expressed in units other than dollars and cents: for example, quality of production, employee turnover, tax outlook, future of the economy. These reports round out information necessary to management for future planning. Thus, in summary, a good report must be a communication, in usable form to a responsible party, of timely factual data for a specific purpose.

How well have accountants fulfilled the responsibility to furnish financial information to management for purposes of assisting management in discharging its responsibilities? Viewpoints on this subject vary. Some executives assert that the accountant in a large measure is responsible for the weakness in reports because his are too detailed and thus pertinent facts are obscured.

## What Makes a Good Report?

In the final analysis, the most important vehicle an accountant can employ to "sell" his activity to management are his reports, memoranda and other media of self-expression. By the same token, this wide opportunity of self-expression imposes a great responsibility. The manner in which he expresses himself is important in his future relationship with other departments.

Since the purpose of most reporting is motivation, reports should be

designed so that action will be taken. If a report results in action, it is useful; if no action results, the report is useless.

The report should have a specific purpose. What information is to be conveyed, what action is to result, can the content of the report be compared against previously established policies, plans or figures? Further, the report should have a specific audience—"who says—what—to whom?" Such reports should be neither beyond the audience's powers of comprehension nor so far beneath the level of competence as to be boring. Therefore, it is important to know how much or how little background information is required.

Reports should be attractive and easy to read. In order to be a good report, the information contained must in some way be related to a specific action which is the responsibility of a specific individual.

The content will depend upon whether it is a routine weekly report or a special report for a specific phase of the business. The subject, its purpose, and many times the personality of the individual receiving the report are factors which determine the latitude in content. In any event, the content should concern only essential facts. Comparisons or trends should be included wherever possible. Finally, the area of improvement or change should be indicated.

While the foregoing are by no means all the earmarks of a good report, they represent basic principles for preparation.

While every report should be easy to read, the purpose should be to communicate significant facts to man-

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**G**RADUATE of New York University, H. C. Todt, controller of Bristol Laboratories, Inc., Syracuse, N.Y., is chairman of the national committee on education of The Controllers Institute of America.

Mr. Todt is a member of the advisory board of the institute of accounting of Columbia University.

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agement, relating to past, present and future operations.

As a general rule, a report is either a control report or an information report. Control reports should assist in the control of operations by showing management areas in which corrective action is necessary. Informational reports present a broader scope and interpret facts for use in planning and policy determination.

Control reports can be further classified as to current control reports and summary control reports. Current control reports are issued hourly, weekly, and the like, in order that information can be presented to management for immediate corrective action. Some examples: daily labor reports expressing a comparison of actual with standard, daily production reports; weekly reports comparing sales by products with budget; weekly departmental expense reports compared to budgeted amounts, weekly sales reports.

Summary control reports contain information relating to performance over a month and thus furnish management with information concerning the general effectiveness of performance. Examples: monthly statements compared to budgeted amounts, monthly ageing of accounts receivable, monthly inventory report, monthly profit by products statements, monthly divisional operating statements.

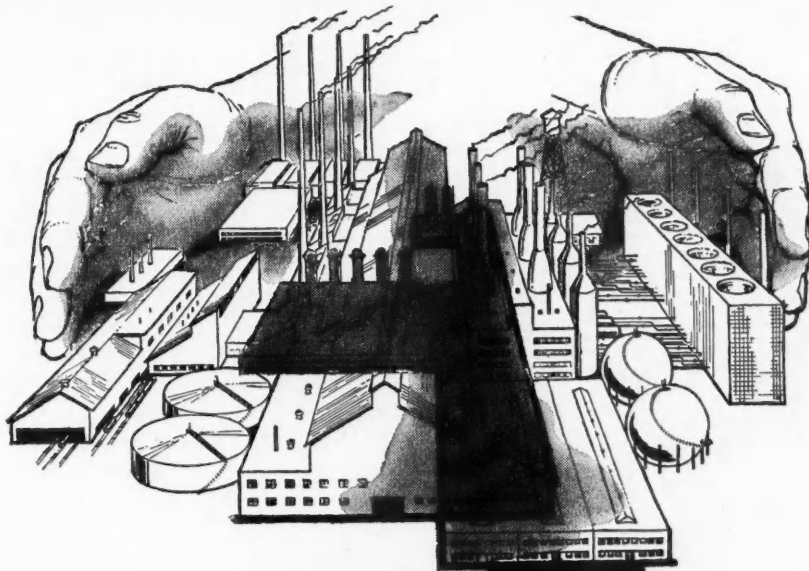
Informational reports in turn encompass trend reports, which compare the results of operations of a division or the company over a longer period of time to point out changes in growth or composition, and analytical reports. These latter deal with a limited time period and refer to the composition of an item. Examples of this type include analyses of sales by customer or product, of production cost variances, of distribution cost variances, and determination of break-even points.

Generally, top managements need dollar data to aid them in performing their primary function, formulation of policy and long-range planning. On the other hand, the supervisor, or the first-line management, requires immediate knowledge of operations expressed in units produced, variances from standard, amount of overtime or number of indirect labor hours.

Without a doubt, management judges the reports prepared by mem-

(Concluded on page 21)

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# Casualty Risk Agent's "Binding Slip"

## Has Effect of Full-Fledged Contract

By **CARL B. EVERBERG**  
*Head of Business Law*  
College of Business Administration  
Boston University

**W**HILE the risks inherent in life insurance are such that the administrative and executive offices of a life insurance company do not generally delegate to its agents the authority and discretion to grant even temporary coverage, this is not the case with fire and various other types of casualty insurance.



C. B. EVERBERG

Local agents of fire insurance companies, for example, are generally authorized to issue, countersign, and deliver, at once, without previous home office authorization, policies legally binding upon the companies they represent.

For this reason agents are also held to have authority to bind their companies by oral contract or by binders, binding slips and the like. Such practice is prevalent in the business world and one court put it this way: "It would operate as a serious disturbance of settled notions, as well as of the manner in which fire insurance is conducted, to hold that [an] insured was without protection until the written policy was issued or delivered." *Milwaukee Bedding Co. v. Graebner*, 182 Wis. 171, 196 N.W. 533.

While it is highly desirable that such an important instrument as an insurance contract be fixed in writing (and if a statute requires an insurance contract be in writing it must be so), the very conditions under which insurance is frequently sought require judicial sanction of oral or temporary coverage. On acquisition of property a prudent owner immediately wants his property protected and calls his agent for the necessary coverage against casualty. As anyone may well know,

it may take days or weeks before the formal policy can be delivered. Must the property owner take a gamble during this interval?

It is here that the practice has developed whereby the agent may orally advise the applicant that he is "covered," or the agent may issue a memorandum or binding slip containing essential terms of the coverage. By the general rule, the applicant is at once protected until the formal policy is issued and delivered.

### Distinction in Applying To a Broker or Agent

An insurance broker does not have the same relation to any given insurance company as the agent of such company. The broker may endeavor to secure the insurance coverage through an agent or from a company; however, he does not have the authority to immediately assure the applicant.

He may agree with the applicant that he will obtain the coverage, and should he fail to do so he may himself be liable for breach of contract if it can be shown that the broker might have been able to obtain the coverage through reasonable efforts. The broker is, in essence, agent for the applicant in such a situation, and by no means agent for the insurer. Where the broker thus procures the insurance, the coverage is effective at the moment the agent confirms to the broker that it exists, even though this confirmation is oral.

### Effect of a Binding Slip

A "binding slip" issued by an agent amounts to a full-fledged insurance contract though it have but a temporary effect. It remains in force as a binding insurance contract until the issuance and delivery of the formal policy.

The binding slip, being a memorandum, contains, in contrast to a complete policy, only a very few of the terms and conditions of an insurance contract. It happens, occasionally, where a loss occurs in the

**CARL B. EVERBERG**, professor of business law and head of that department in the college of business administration, Boston University, is a contributing editor of *Credit and Financial Management* and co-author of "Business Law—Cases and Materials," reviewed in the last September issue.

Mr. Everberg has just completed a book on forms to be used under the new Uniform Commercial Code of Massachusetts. His "Massachusetts Legal Business Forms Annotated," Volumes 15 and 16, was reviewed in CFM May 1957 page 26.

Mr. Everberg is a member of the Bars of four states.

period a binding slip is in existence and before a policy is issued, that serious controversy arises between the insured and the insurer as to what respective rights and liabilities are actually contained in the slip.

It is obvious that not all of the many provisions in the usual policy and other implied rights and duties can possibly be encompassed in the small space of a binding slip.

### Formal Policy Provisions Rule

The courts have been in general harmony here to the effect that the rights and duties of the parties are to be determined by the provisions of the formal policy as it would be issued. In the policy itself, for example, the company may have the right to cancel; this condition would hardly appear in the binding slip. Nevertheless, the courts have generally held that where an insurer has the right to cancel a policy it has the right to cancel a binder, though such is not expressed in the binder.

In one interesting case, however, the court gave an interpretation favorable to the insured on a question of cancellation of a binder. After the agent had issued a binding slip the home office notified the insured that it declined the "risk." A loss occurred in the period the binder purported to be in force. The court,



in *Red Cab Co. v. St. Paul Mercury Indemnity Co.* 98 F 2d. 189, held that this was to be interpreted as a refusal only to issue permanent insurance and was not a cancellation of the binder.

#### "Unfortunate Language"

The court said:

"If defendant wished to or intended to cancel its binder as well as to refuse to issue a longer insurance contract it chose unfortunate language.

"The issuance of a binder is a well recognized and an essential part of the business of writing insurance. It is, so to speak, an interim insurance contract. It covers a short period—between the date of application for insurance and the date when the policy is finally executed and delivered.

The defendant's agent evidently felt free to issue a binder, but before delivering the permanent insurance contract he deemed it advisable to consult the managerial officers of the defendant. He could have issued the policy and it would have been binding. That is to say, he was a duly authorized, licensed agent of the defendant, and as such was authorized to write insurance in Indianapolis and to validly execute and deliver contracts for defendant. His action in issuing the binder was therefore binding on the defendant. He, however, refused to issue the longer term policy, but submitted the application to defendant, who rejected the risk. Did it also cancel the binder? That is the question. In its letter of January 3rd defendant did not use the word 'binder'. Nor did it mention cancellation."

#### Valid without Payment

Even if there is no payment of the premium the temporary insurance contract is valid, if the agent is willing to issue it on credit.

Even if further information may be necessary before the formal policy can be issued, the insurance contract may be fully binding on the insurer. *Park & Pollard Co. v. The Agricultural Ins. Co.* 238 Mass. 187.

Under the compulsory motor vehicle insurance law the statute (in Massachusetts) validates the issuance of a "binder" pending the issue of the formal policy. G.L. c. 175, sec. 113A (6).

# OIL STOCKS

## Abandon hope— or buy more now?

The market has turned its back on the oil stocks—and rather indiscriminately.

In the face of waning hopes for individual issues, the latest Value Line analysis of petroleum stocks finds 7 to be well-deflated—their prices standing far below intrinsic values—indicating the probability of relatively strong price performance during the coming year and potentiality for further appreciation over the next 3 to 5 years!

Each of these 7 stocks now carries the Value Line's *Group I (Highest) Rank for Probable Market Performance in the Next 12 Months*—and no less than 12 of the Oil stocks rank equally high for *Appreciation Potentiality in 1960-64*.

As for the rest—careful! Recent developments have indeed conformed to the probabilities forecast in the Value Line *Fortnightly Commentary* of January 12, 1959. In this analysis the maladjustments in the petroleum industry were found to be of such a fundamental character as in all probability to influence the operating trends in the oil industry for several years to come. The situation is developing almost exactly as then foreseen and probably will continue to do so. A copy of this still-timely analysis of the petroleum industry, together with the *new* report mentioned above, will be sent to you as part of a special offer:

### SPECIAL GUEST SUBSCRIPTION

To inform your judgment as to the best values among oil stocks at *this* time, we invite you to accept the special \$5 offer described below. It will include, *without charge*, the new 92-page Petroleum Edition of the Value Line Survey with full-page reports on each of the 75 major Petroleum, Natural Gas and Coal stocks—each report including objective, mathematically derived *Rankings for Probable Market Performance in the Next 12 Months*, for *Appreciation Potentiality* over a 3-5 year pull, for *Yield Expectancy* in the next 12 months and for *Quality-Grade*. Among the stocks reported upon:

Atlantic Refining  
Cities Service  
Gulf Oil  
Imperial Oil  
Phillips Petroleum  
Pure Oil  
Royal Dutch  
Shell Oil

Sinclair Oil  
Socony Mobil Oil  
Stand'd Oil (Cal.)  
Stand'd Oil (N.J.)  
Union Oil  
Tidewater  
Texaco  
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Canadian Oil  
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Richfield  
Sun Oil  
Sunray  
El Paso Nat. Gas  
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Under this offer, you will also receive—by return mail and without charge—a copy of the *Fortnightly Commentary* of January 12, 1959, forecasting the problems of the Oil Industry which are now beginning to take shape, a copy of the Value Line's new 31-page study "*Security Selection During a Period of Inflation*"—together with the latest Value Line *Summary of Advances on 804 Major Stocks and 50 Special Situations*, with Value Line's objective measurements of Intrinsic Value, Quality, Yield and Appreciation Potentiality. And for only \$5 (just half the regular pro rata fee) you will receive (a) the next 4 *weekly editions* of the Value Line Survey with full page reports on each of 250 stocks, (b) a new *Special Situation Recommendation*, (c) a *Supervised Account Report*, (d) two *Fortnightly Commentaries*, and (e) *Weekly Supplements*. (The annual subscription rate is \$120.)

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# EVERY LETTER A SALES LETTER

*Blunt Message Can Boost Dollar Payments But Lose Many Customers*

By **KENNETH J. FORSHEE**

**General Credit Manager**

**Pacific Coast Branch**

**National Lead Company**

**San Francisco, California**



K. J. FORSHEE

I'VE heard a lot of pros and cons about 'every letter being a salesletter,' remarked my young new assistant. "But when a customer owes you money—well, you just 'ask' for it. Right?" "No, indeed," I replied. "When a salesman is after an order does he just 'ask' for it? Perhaps that was true in the war period or post-war years, but not now during a buyer's market. The salesman must 'sell' the prospect first, then the order may come his way. And so it is with letters—there is a selling job to be done in every letter regardless of its purpose.

"Many correspondents continue to look upon the task of collection as mere arithmetic—they see only a ledger card that has a balance. They figure that the customer owes that balance and is expected to pay it."

"Well, isn't he?," interrupted my assistant.

"Yes he is, but this view alone is short-sighted and out of focus with human nature.

## **Collection Letter Is "Selling"**

"Most of us agree that the average debtor, if able to, will pay when he is convinced of the advisability of doing so—or when he is forced to do so. We also know that the latter method causes resentment and loses customers. It is plain, then, that the job of the collection letter is a straight selling job. If you had something to sell by letter would you merely say: 'We have this article . . . . The price is \$——. Please let us know if you want it.' No, you

would write a well planned sales letter—probably closely checked by your advertising department.

"Like other sales letters, the collection letter is written to get the signature of the recipient—but on a check. The collection letter is actually a highly specialized type of sales letter. It is selling the *idea* of paying an honest debt."

"All this sounds logical," observed the assistant, "but we don't seem to encounter much difficulty with our

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**KENNETH J. FORSHEE**, of San Francisco, general credit manager, Pacific Coast Branch, National Lead Company, has been in credit work since 1934. Before advancement to his present post in 1954 he was southern division credit manager at Los Angeles.

Mr. Forshee for three years taught a course in letter writing in the extension school of the University of Southern California. He is a past president of the Los Angeles Chapter of the National Institute of Credit and the Building Material Dealers Credit Association.

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letters. By the way, where *did* our letters come from?"

"Our letters are the result of years of study, experiment, trial and error . . . a phrase picked up here, a clause there."

"Would you mind giving me a good example of what *not* to say?" remarked my assistant.

"Perhaps I can answer with some kind of comparison. When I was starting out in credit, we just bluntly asked for the money in no uncertain terms. Our collections were excellent—but we lost a lot of customers. Nowadays we must give every consideration to good customer relations.

"Take our reminder letter, for example. It's short, diplomatic and friendly. We make it *easy* for the reader to 'act.' All he has to do is use the envelope, insert his check, seal the flap and mail."

"It's a good thing, too," chimed in

the assistant, "that you have that clause at the bottom which says . . . 'If payment has already been made please disregard this notice.'"

"Yes, this can keep us out of trouble. If a customer has paid, or knows that his check is in the mail, he may retaliate on receiving such a notice."

"How about our Number One letter? It seems 'simple.'"

"It is simple. It is courteous, diplomatic, a questionnaire type of letter, and successful because we make it 'easy for the reader to act.'"

## **The "Number One" Letter**

Mr. John Jones  
200 Front Street  
Anywhere, California

Good Morning Mr. Jones . . .

Your account is a valuable factor in the continued success of both your business and ours. Naturally, you want it to appear on our books in a current condition.

You have probably intended to make payment or explain your reason for non-payment. If you will please check one of the following items, it will be very much appreciated.

- ( ) Check enclosed.
- ( ) Will send check by . . . . .
- ( ) Check mailed recently.

Just drop your reply in the envelope which is enclosed for your convenience.

Thank you.

(Month) balance, \$ (Amount)

Cordially yours

"Note certain aspects of this letter. 'Good Morning . . . or, Hello Mr. Jones.' This is a cheerful salutation but it is too new in the field of credit writing for some of the old-timers. Nevertheless, if a customer walked into your office, would you address him as 'Dear Mr. Jones' or would you say 'Good morning Mr. Jones' or 'Hello Mr. Jones?'"

"In the first paragraph we are thinking in terms of his interest; second paragraph, excusing him for possible oversight; third and fourth,

making it easy for him to act; sixth paragraph, showing account due and age of account."

Remarked my assistant: "I'd like to ask you about other letters too."

"Well," I replied, "all we can do is continue to look for ways to improve. Our research department is constantly searching for new technical methods to improve our products. We must grow too. The letters in front of you are impressive now, but 20 years or less from now you may consider them obsolete and stereotyped."

### The "Thank You" Letter

"Many credit departments are passing up some excellent opportunities. For example, the letter 'that doesn't have to be written' is one that really pays off. Take the 'thank you letter' for prompt pay. For a year we sent it to all prompt-paying customers. Remember the most gratifying results? Many salesmen came in with big smiles. The customer knew that we didn't have to take our time to do this. Remember how old man Johnson, at Johnson's Dutch Boy Paint Store, framed it and hung it on the wall? And the painter who left his in one of our stores . . . thought he had lost it . . . had traveled five miles but came back within an hour to retrieve it?"

"Remember that after our sympathy letter Mrs. Jones threw out competitive lines because we were 'the only company that cared' when Mr. Jones passed on?"

"So every letter is a sales letter, and many people in credit circles who ignore that fact are losing sales and friends."

### Letters Cost \$6 Millions a Day

"How much would you say that letters in the aggregate cost American business? The figure is astonishing—\$6 millions a day. What's more, how many pieces of first-class mail do you think the Post Office Department will handle in one year? Over 20 billion."

"Before I get back to work," said my assistant, "is there a good rule I could keep in the back of my mind when writing letters?"

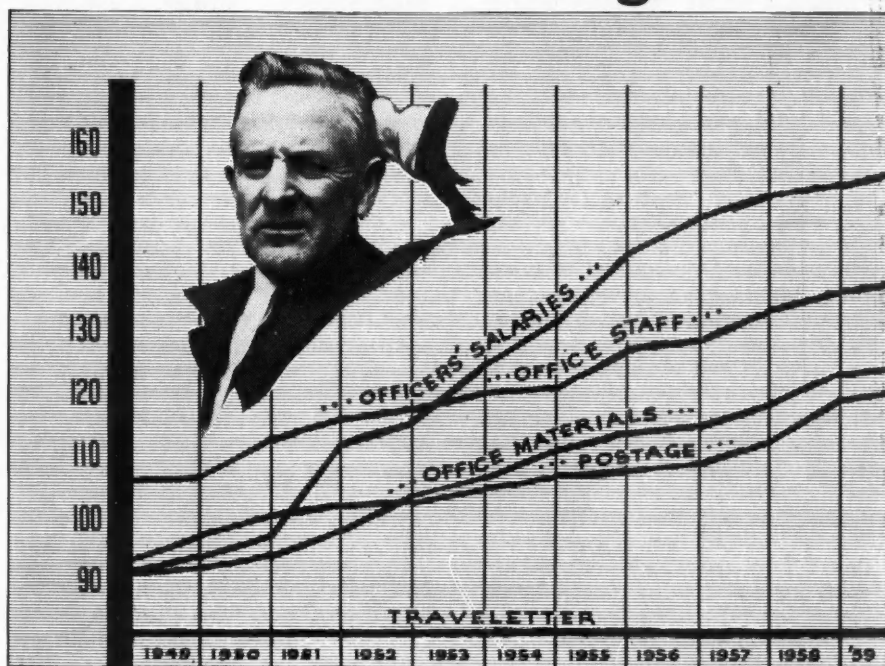
"Yes, you might memorize this: 'Letter writing is careful talking at a distance.' In other words, think before you speak on paper."

### Dollar Erosion Made Palatable By Stock Prices, Bankers Told

Investment managers and investors in general "have come to consider fixed income to be a doubtful speculation in dollar futures", and the fact that the U.S. Treasury has been forced to pay 5 per cent on short-term borrowing is "shocking, if not downright embarrassing", says William D. Kerr of Bacon, Whipple & Co., past president of the Investment Bankers Association of America.

"We have been living in a climate of dollar deterioration made pleasantly palatable to many by rising common stock prices. Certainly the average citizen would expect rightfully to have the dollars he invests in bonds or mortgages or bank savings accounts returned to him undiluted." Furthermore, the peoples of the Free World "look to us to practice the self-discipline necessary" to maintain the integrity of our dollar, Mr. Kerr told members of the New York Group.

## Worried About Rising Costs?



## ... Traveletter's rates are exactly the same as in 1949

The *Traveletter*® System for reimbursing traveling personnel is available at exactly the same rate as it was in 1949. And you'll be surprised at the other savings you can effect by using *Traveletter*. It is the soundest and most economical system of handling and controlling travel expenses yet devised.

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# Trends

*in commerce*

*in industry*

*in finance*

## Cycle Upward at Least a Year

BUSINESS EXPANSION will continue through this year, at a faster rate the first half than the second, with the turning point of the cycle a year to a year and a half distant, said panelists in the annual economic forum of the National Industrial Conference Board. The forecasts were on the assumption of no further interruption of steel supply.

A 5 per cent rise of the Gross National Product (value of all products and services) to \$505 billions by mid-1960 was predicted, and an additional increase to \$515 billions by year-end, with most of the gain in real product rather than inflated prices.

The panelists foresee relative price stability for the year, one percentage point rise in the consumer price index, the wholesale price index even more stable. A closer approach to full employment than in 1959 is forecast (3,200,000 unemployed at midyear, 3,100,000 at year end).

## Fiscal Discipline

THE LEAST the Congress can do to "contain inflationary pressures" is to impose fiscal discipline by removing the 4¼ per cent ceiling on securities with maturity over five years, and so permit the Treasury to pay the going rate of interest on bonds, in the judgment of Dr. Marcus Nadler, Hanover Bank economist.

## "Trigger-Happy Radicals"

CALLING election year 1960 an "open season for every trigger-happy radical to take a pot-shot at anyone in a gray flannel suit", Frederick H. Mueller, secretary of commerce, addressing the convention of the National Association of Manufacturers, proposed a two-point program to help preserve free enterprise.

He urged businessmen to launch a public "sales" campaign for "a sound

economy, a sound dollar, sound management-labor policies, and sound policies by government". He also advocated personal study of our national and international problems.

## Another Farm Income Dip

WITH a \$750-million drop in farm income in prospect for this year, following the \$2 billion decline in 1959, industries depending upon agriculture for all or part of their business can expect "at least some dampening effect on sales of machinery", and postponement of some plans for new buildings and repairs, says the economist of the Federal Reserve Bank of Cleveland.

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*It's what you learn after  
you know it all that counts.*

—N. A. Rombe

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## On to New Records

STRONG RISES in the economy are due soon, conditional on no breaking of labor negotiations in the railroad industry, predict analysts of the New York and Chicago Federal Reserve banks and the Morgan Guaranty Trust Company.

The New York "Fed" points to new evidence that total industrial output, personal income and retail sales held up well despite strikes in the metals industries. Noted also is an indicated sizable increase in capital expenditure plans.

In most durable goods lines, says the Chicago economist, inventory accumulation should provide the impetus.

Both banks cite the record-making industrial expansion abroad and a boosted demand for U.S. exports, with brightened prospects for improvement of our trade balance.

Of the payments deficit, Morgan

Guaranty says one prime requisite for betterment is maintenance of a favorable climate for investment in the United States, with interest rates permitted to move in competition with those of foreign financial centers and with a feeling of confidence among holders of dollar assets that their funds are invested in a sound and stable currency. The other requisite mentioned is strengthening of the competitive position of U.S. goods in domestic and foreign markets, with stability in domestic costs and prices.

## Sees Food Price Drop

"GOOD PROSPECT" of a reduction in food prices for the average family that "will offset to some extent increases in other retail prices" was put forth by Ewan Clague, commissioner of labor statistics, Department of Labor, addressing the National Commercial Finance Conference.

He attributed the softening of retail food prices partly to excellent crop weather and partly to the "down-turn of meat prices in response to the corn-hog cycle".

## That Pioneering Spirit

INDIVIDUAL initiative must be recaptured at all levels to maintain the vigor which built America's world leadership and now faces its most urgent test, in the opinion of Louis E. Wolfson, chairman, Merritt-Chapman & Scott Corporation. The double need, the industrialist told the Executives Club of Chicago, is preservation of a dynamic economy and provision of the economic strength needed to meet Russia's upsurge. It can't be done with "robot executives", he warned.

*Ernesta. Rovelstad*

## ACCOUNTANT'S REPORT

(Concluded from page 15)

bers of the financial profession as to scope, timeliness, clarity and usefulness. Here are some cues to improvements that can be achieved in preparing reports. For instance:

Do your reports adhere to the basic requirements of good reporting: clarity—accuracy—timeliness—brevity—simplicity?

Have you reviewed your reports recently to determine their actual usefulness? Have you taken steps to eliminate those which have outlived their usefulness?

Do your reports reflect imaginative use of charts, graphs and other media, so as to arouse the interest of the executive receiving the report?

Have you investigated the possibility of speeding up the issuance of your reports so that management can take immediate remedial action where indicated?

These are only a few provocative questions. Others will suggest themselves, particularly if the person preparing reports for management realizes that yesterday's facts are used to interpret today's results and thus plan for a better tomorrow.

### Institute Urges States Adopt Program for Qualifying CPAs

The public interest as well as the level of the profession will be better served, and greater uniformity brought to state CPA laws, if the states adopt the recommendations of the American Institute of Certified Public Accountants based on the report of its commission on standards of education and experience.

The report recommends that each state consider revising its laws to set up the following qualifications for admission to practice as a certified public accountant:

1. College graduation, with about one-half of the time devoted to study in the humanities and social sciences, one-fourth in accounting, one-fourth in other business subjects.

2. Postgraduate professional study, as soon as feasible, devoted principally to accountancy and business administration.

3. As education is extended beyond the undergraduate degree, a mini-

mum of one year's experience in public practice under the guidance of a CPA, some of which should be in the area of reliance by bankers and other "third parties" on the financial reports of CPA's clients.

### Half of Large Companies Have Severance Pay Plans

Half of the manufacturing companies in America employing more than 1,000 have some form of severance pay for workers whose services are terminated at the behest of management, but prevalence of the practice varies among larger companies from 94 per cent in the rubber industry to 56 per cent in textiles, says the National Industrial Conference Board, summing up replies from 259 companies in a survey.

### New Remington Rand Univac On Production Line Basis

Demonstration of the capabilities of the new Remington Rand UNIVAC 80/90 Solid-State Computer system at the company's New York headquarters showed how billing and payroll processing are facilitated. In billing applications, name and address and item cards are processed through the high-speed Card Reader at 450 cards per minute. Extensions are computed in the Central Processor at speeds up to 11,000 calculations per second. The invoice is written on-line by the high-speed Printer at 600 lines a minute. Simultaneously a summary card for each invoice, containing all data needed for accounts receivable records, is punched in the read punch unit, at speeds of 150 cards a minute. For payrolls, the Computer provides unique operating advantages.

The new Univac already is on a production line basis. Two hundred had been sold at the time of the demonstration in October. Complete basic system, composed of the 450 CPM Reader, the 150 CPM Read-Punch Unit, 600 LPM Printer and Central Processor, may be rented or purchased. The system is available with either 80 or 90 column card units at identical prices.

### Personal Income Up 38%

Personal income per capita rose 38 per cent between 1950 and 1958—from \$1,491 to \$2,057, says the National Industrial Conference Board.

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# Office Interior That "Makes People Feel Alive" Is an Aim Accomplished

**U**NCOMPROMISINGLY designed for business, the new quarters of Mutual of Hartford



J. deK. ALSOP

illustrate several interesting departures from standard design practice, provide an outstanding example of how a building can—through exterior appearance and interior layout—

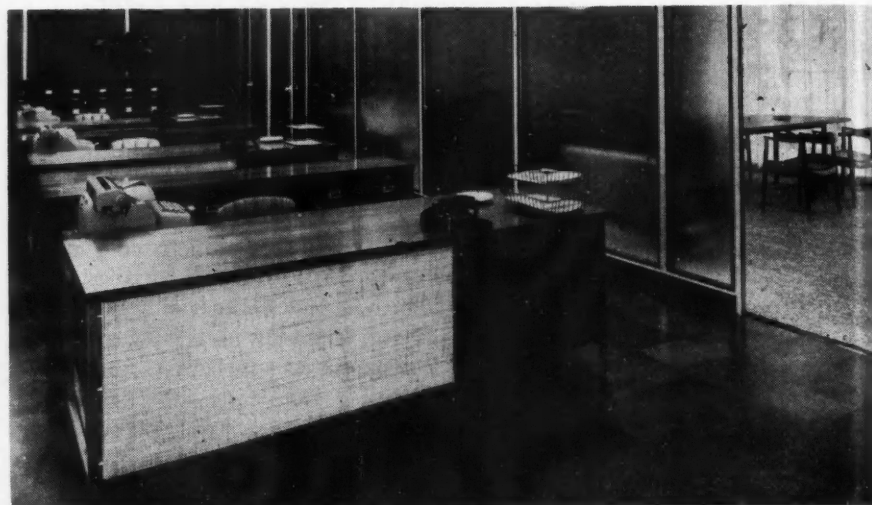
reflect a progressive corporate image, meet the company's multifarious demands for efficient daily operation, and provide for future growth.

Mutual of Hartford\* was organized in 1831 as the Hartford County Mutual Fire Insurance Company, to provide protection to rural property owners surrounding the city of Hartford, Conn. For over 100 years the company, like so many other small mutual insurance companies, was content to limit its activities to its home state and its underwriting to fire insurance only. However, during this period which was marked by wars, depressions and other disasters, the prudent investment of policyholders' premiums brought about a company of exceptional financial strength.

At the close of World War II the company embarked upon a program of expanded service to its policyholders and agents, who received it with such enthusiasm that it quickly generated an accelerated growth pattern far in excess of the industry average and which still continues today. From a handful of ten employees the company has increased its staff to 80 persons, with an agency force of 450 independent agents servicing over 75,000 policyholders in Connecticut, Florida, Massachusetts, New Jersey and New York.

Practicality ruled out ornateness in the design and layout of Mutual of Hartford's new quarters. In the planning of the interior, function and furniture have been treated as an integral problem. From the build-

\* Corporate name is Mutual Insurance Company of Hartford.



**DOMORE POSTURE CHAIRS** upholstered in orange Maix fabric, one of several distinctive types of DoMore chairs installed in Mutual's new offices, are a feature of the executive secretarial area. Well-organized working facilities include related file units, separate-type table with Dictaphone storage cabinet (hidden from view), ample space and proper lighting levels.

ing's unusual facade with its sand-finish bas-relief which integrates sculpture with architecture, to the central service core design, the free use of color and the absence of claustrophobia-inducing plaster walls, there is an exhilarating air of spaciousness, of pleasant yet functional environment throughout.

## *The Central Core*

Maximum space utilization at minimum cost is provided by the advanced building design by Sherwood, Mills & Smith, architects of Stamford, Conn. A central service core, which contains stairways, elevators, air conditioning, plumbing and electric risers, has eliminated the need for any free-standing columns. Accounting, underwriting and other departments, executive and other offices, as units of the central service core may be expanded or contracted without major alteration woes. Through the use of precast concrete panels in the east and west walls, which are bolted to the fireproof steel frame of the building, low rays of the sun are excluded, effecting considerable saving in the air conditioning load.

Glass partitions, instead of plaster walls, give light even at a distance

from windows, eliminate the traditional compartmentalized business-office isolation. Danish teak sliding panels which separate the board of directors room from the president's office, permit doubling the "quota" of daylight at will.

A small, attractive lounge area is provided for employees to relax away from their desks at midday.

## *Interior-Unifying Principle*

"Give us interiors that will make people feel alive!" This stipulation by president John Alsop, of Mutual of Hartford, was successfully met by Associated Designers for Interiors, of New York City, which was engaged by the insurance organization for the interior planning and furniture. Associated Designers for Interiors is composed of Mr. Lynn Montgomery, who has a background of architectural and product design as well as consulting engineering, and Mrs. Mary Lou Goldstein, who is widely traveled and has studied interior design in London.

The approach of Associated Designers to a project is based on a functional analysis of a company's operations. The designers discuss with management executives the



working needs of personnel, the communication-flow between departments and individuals, company growth prospects and future space availability.

Although color and form have been given free play in the offices of Mutual of Hartford, the function of each component has been the primary consideration in its selection, notes designer Montgomery. Modern office furniture designs by leading equipment manufacturers are skillfully grouped, in some instances with customized furniture.

How one simple feature, such as chairs, can become more than a thing of utility by striking a note of distinction, even act as a unifying principle, is demonstrated by the DoMore chairs, of DoMore Chair Company, Elkhart, Ind., which have been installed in an unusual variety of styles and colors.

The executive secretarial group (illustrated) features DoMore posture chairs upholstered in orange "Bahia" Maix fabrics. In the general offices DoMore posture chairs are upholstered in red "Saranylon." The vice president's office has a DoMore executive swivel posture chair upholstered in DoMore natural leather, with grospoint on the top of the seat and front of the back to match the leather. For the lobby, DoMore posture chairs upholstered in black grospoint were chosen.

In the offices of department heads,

plastic-shell armchairs are upholstered in red-orange naugahyde. The president's hi-back swivel chair is upholstered in natural oxide from Denmark.

#### "Disciplined" Desks

Analysis of the working needs of executives and department staffs led to the installation of desks which conceal in their artistry of line very practical provision for working tools. From the president's segmented-type desk with working areas for his many activities, to the secretarial and clerical units, "everything is in its place and there is a place for everything."

Executive secretarial desks have related file units. Teak "Genuwood" tops, custom cane screens in aluminum frames, and separate-type table with Dictaphone storage cabinet were assembled and installed by Metwood of New York City.

In the general offices and in the offices of department heads, the desks, credenza units and files are of gray steel with self-edge off-white formica tops. Overfile and coat storage cabinets are gray-baked enamel cases with orange and red sliding doors. Wire desk trays are red plastic dipped. Customized desks were installed in the lobby, the office of the president and in the board room.

Statistics point out that the average worker or executive spends 24 per cent of his time in the office. In this

**PRESIDENT**, treasurer and a director of the Mutual Insurance Company of Hartford, John deKoven Alsop also is an officer and director in many industry and banking organizations. He began with The Hartford County Mutual Fire Insurance Co. as a field inspector in 1946, advanced to manager of fire prevention service department, to vice president, and in 1953 to president, treasurer and director of the company, now Mutual of Hartford. Mr. Alsop was with Smith, Barney & Co. in New York, investment bankers, for five years following graduation from Yale U. in 1937.

abbreviated work period maximum productivity is essential for profitable business operation. Under the impact of this need the "one-dimensional" office, wherein utility once was the sole requirement for each component, has had to give way to the "three-dimensional" office which affords beauty and comfort, as well as tools, to the worker.

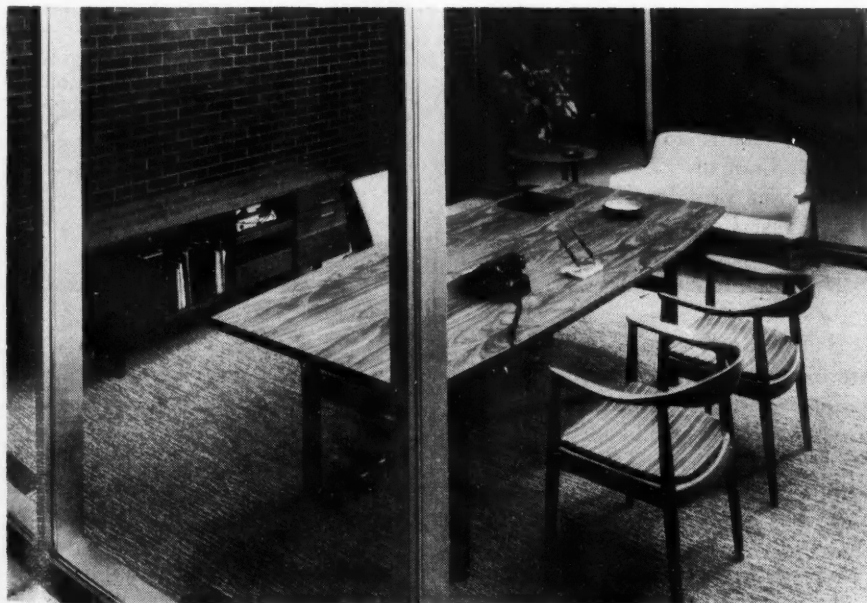
As in its services to its customers, the forward-thinking business organization, in its working quarters, seeks to apply every modern technique for efficiency. Mutual of Hartford's president Alsop sums up modern management's view:

"Our new home office is an investment . . . a prudent investment of policyholders' funds in a home that immediately reflects a practical integration of sound economy with the splendid concept and material of contemporary architecture."

#### Shift Is To Seller Market; Worker Output Gain Less

A slowdown in rate of gain in output per worker and a shift from the "buyer's market," characteristic of a depressed economic period, to the "seller's market" of prosperity, are aspects of the current phase of business expansion, notes the Federal Reserve Bank of Chicago in its monthly review "Business Conditions." A similar shift took place in early 1955, the Bank points out.

"The moderating rate of gain in output of goods and services per worker in the second quarter points up increasing use of less efficient facilities and manpower, a rise in the number of job holders and some abatement of competitive pressures on costs," reports the Bank.



**LIVE INTERIORS**—Vice president's office, typical of Mutual of Hartford executive offices, proves that eye-appeal need not be sacrificed to utility, nor the latter to attractiveness and character. Glass walls, "sculptured" furniture, and warm colors and textures contrast with precision of architecture. DoMore executive swivel posture chair is upholstered in leather and grospoint.

# ON THE Personal Side

JAMES M. SHACKELFORD has been named treasurer, Johns-Manville Corporation, New York, to succeed JOSEPH L. WOOD, who has retired. Mr. Shackelford began with J-M in 1934 as an accountant. Following World War II military service, he was appointed budget manager, thereafter advancing to controller of the pipe division before becoming assistant treasurer of the company.

Mr. Wood, a 32-year veteran of the company, is author of "Better Sales through Credit," is on the faculty of National Sales Executives graduate school of sales management and marketing, Syracuse U., a director of New York Credit and Financial Management Association, past president Sales Executives Club, New York.

HAROLD L. ALBRECHT has been appointed treasurer, The Faultless Rubber Company, Ashland, Ohio. He succeeds CHARLES W. EBERT, secretary and treasurer, who has become vice president and treasurer of Poly Products, subsidiary of Faultless at Spartanburg, S.C. Mr. Ebert continues as secretary and a director of the company.

Mr. Albrecht, a certified public accountant, previously was with Ernst & Ernst, Cleveland.

HUGH J. SHUMAKER has been appointed vice president-finance and treasurer, Norris-Thermador Corporation, Los Angeles. He began with the company in 1957 as controller of the Norris Division and prior to that was with Ford Motor Company.

GEORGE F. WINGARD has become assistant director, treasury department, Monsanto Chemical Company, St. Louis, with responsibility for banking, credit and insurance functions. Mr. Wingard is chairman of Chemical and Allied Lines Industry Group for the 64th annual Credit Congress, to be held in St. Louis in May. He began with Monsanto in 1939 in plastic sales, was assigned to the credit department in 1941, ad-

vancing to general domestic credit manager in 1951, to director of credit in the treasury department last March.

WALTER J. NABER, JR., has been named general credit manager.

OSCAR W. HARIGEL, vice president of the Houston National Bank and a past director of the National Association of Credit Management, has been advanced to senior vice president by the bank's directors.

Mr. Harigel, now a commercial loan officer, joined the bank in 1933 as a runner, was named credit department manager in 1946 and assistant cashier two years later. He was promoted to assistant vice president in 1951, to vice president in 1954, and was elected to the advisory board in 1958.

A past president of the Houston Association of Credit Management, Inc., Mr. Harigel is also a member of the Robert Morris Associates, the National Retail Credit Association and the Retail Credit Executives of Texas. He was a panelist at the Credit Congress in Dallas.

EDMUND L. GRIMES, a director since 1957, has been named chairman and WILLIAM R. WHITE has been named a director of Textile Banking Company, New York. Mr. Grimes also is chairman of Commercial Credit Company, Baltimore. Mr. White, vice president Morgan Guaranty Trust Company of New York, served as superintendent of banks, New York State, 1935-42.

HARRY R. WHITE, executive vice president of First Federal Savings and Loan Association, Chattanooga, has been elected president succeeding the late J. Mc Lemoire Kemp, Sr. Mr. White was 1958 president of the NACM Cherokee Unit and is now chairman of the board.

Mr. White began with Buckeye Loan and Building Co., Cincinnati, was a senior Federal field examiner when he joined First Federal as vice president in 1947. He became a director in 1954, executive vice president



J. M. SHACKELFORD



J. L. WOOD



H. L. ALBRECHT



C. W. EBERT



O. W. HARIGEL



H. J. SHUMAKER

1956. He was educated at the University of Cincinnati and obtained his law degree from McKenzie School.

ARTHUR A. CHARTRAND has been promoted to vice president, Johnson County National Bank & Trust Company, Prairie Village, Mo.

GEORGE H. KRAUSE has been advanced to credit manager, Consolidated Electrodynamics Corporation, Pasadena, Calif. Mr. Krause has held various accounting posts with CEC, with which he began in 1954.

CLARENCE E. GROSS has become vice president, Hubshman Factors Corporation, New York City. He recently retired as manager, First National City Bank, 32nd Street and Park Avenue branch, New York City.

C. G. BUNTING has resigned as secretary-treasurer of Fenestra, Inc., Detroit, to open a financial consulting service. V. L. HANNA, controller, has been named to the newly-established position of vice president-finance and treasurer of the corporation. Mr. Bunting is a past president of the Detroit Association of Credit Management.

**RICHARD E. NUTTING** has been appointed assistant to the president, General Mills, Inc., Minneapolis, to succeed **DELBERT F. WRIGHT**, who has become controller. Mr. Nutting, who has been chief accountant of General Mills for the last 25 years, began with the predecessor Washburn Crosby Company in 1922 as mail clerk and office boy.

**DELBERT F. WRIGHT** succeeds **Gordon C. Ballhorn**, who retired after 38 years with the company. Mr. Wright's career with General Mills dates back to 1923. He began as accountant.

**ALLEN M. HARRELSON** has been appointed treasurer and chief financial officer, Crane Company, Chicago. He formerly was financial vice president and treasurer of H. K. Porter Company, Pittsburgh.

**HAROLD P. MCGOWAN**, formerly assistant treasurer, has been named controller, Endicott Johnson Corporation, Endicott, N.Y. He succeeds **Miss Linda Stanford** who has become vice president-finance. Mr. McGowan began with the company in 1946 as office manager at Archbald, Pa.



R. E. NUTTING



H. P. MCGOWAN



A. M. HARRELSON



EDWARD HEINE



W. H. SCHROEDER



SIDNEY BLOOM

**JOSEPH P. HESTER**, a member of the legal department, succeeds Mr. McGowan as assistant treasurer.

**EDWARD HEINE**, former assistant to the president and credit manager of The H. A. Seinsheimer Company, Cincinnati, has become associated with J. Schoeneman, Inc., division of Cluett, Peabody Company of Baltimore, in an executive capacity and in charge of credits.

Mr. Heine, graduate of Villanova University and the graduate school of the University of Pennsylvania, and councillor of the Cincinnati Association of Credit Management, has been on the board six years and has been treasurer, vice president Service Bureau and association president.

At the 60th Annual Credit Congress, National Association of Credit Management, in Cincinnati in 1956, Mr. Heine was general chairman of The Industry Meetings committee.

**WADE H. SCHROEDER** is treasurer of Chicago Molded Products Corporation, Chicago. Most recently he had been treasurer of Appleton Electric Company, the same city.

**SIDNEY BLOOM**, formerly assistant secretary, has been advanced to vice president, Walter E. Heller & Company, Chicago.

**JOSEPH P. FOX**, formerly with Security Trust Company of Rochester (N.Y.) has become vice president, Ritter Company, Inc., that city. He began with Ritter in 1956 and is vice president and director of Ritter Credit Corporation.

**FRANCIS J. PALAMARA** has been appointed controller, James Talcott, Inc., New York City. He succeeds **Francis Moscrop**, who retains his post as financial vice president of the company.

**ROBERT J. HUFFMAN** has been named manager credit department, American National Bank & Trust Company of Chicago.

**RUSSELL M. BRAUND** has been appointed administrative vice president accounting for production and commercial activities of United States Steel Corporation, succeeding the late L. C. Simmons. **JAMES L. ORTNER** takes Mr. Braund's post as vice-president-accounting central operations.

## GEORGIA BUILDING FOR SALE or LEASE

New brick building, concrete floor, 16-foot ceiling, sprinklered, 4-inch gas main running into building; 2000 sq. ft. office, air conditioned; manufacturing space of 88,000 sq. ft.

It has 3 truck bed high loading platforms, two doors electrically operated; 16 foot in height in order to drive large truck vans into building. It has 16 urinals and stools in building, located on 15 acre tract; ample parking and room for expansion, city sewerage, 6-inch water main going into building, 220 and 440 electricity in building. Can be leased.

Located in city with a 45-bed modern hospital; 7 doctors; 9-hole golf course; county and city-wide, one-third population colored; two banks with \$10 million resources; principal income from industry and agriculture; two cotton mills and 6 other smaller industries; 14 churches; modern, new up-to-date grammar and high schools.

City population 7500, and County population 21,000. Mayor and Council form of government. City now using one million gallons of water and has two million gallons in reserve; low tax rate, no unions in the entire county.

Located 45 miles from Atlanta; 24 miles from Athens and only a few hours from other major cities by air.

*For further information*

**JACK HODGKINS**

GEORGIA ASSOCIATION OF  
CREDIT MANAGEMENT

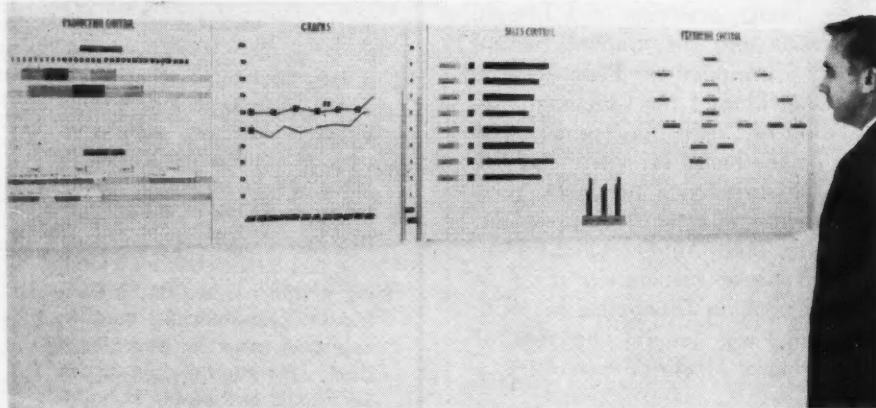
1330 West Peachtree Building, N.W.  
Atlanta 9, Ga.



# Modernizing the Office

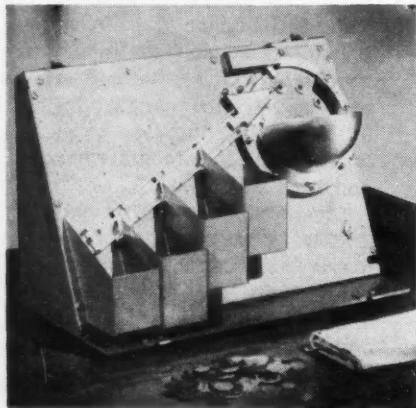
*New Equipment to Speed Production and Reduce Costs*

## Control Board Expands Horizontally and Vertically



651 Features of MUROGRAPH Control Board of The Visual Controls Company include: Expandability—it may be expanded both horizontally and vertically to form an entire chartroom if desired; pressure sensitive supplies, easy to apply or remove, afford latitude in charting and graphing; hanging rails mean ease in hanging, shifting and removing panels. Flat plasticized surface provides excellent writing surface for grease pencil. "Mekandodex" endless bands, flexible graphing channels, and portability are other advantages.

## Coin Counter-Sorter



652 Portable electric Counter-Sorter machine of STANDARD CHANGE-MAKERS, INC. operates simply by setting the counter, flipping a switch and pouring in the coins. Device counts and sorts 15,000 coins an hour, says maker, handling 1¢, 5¢, 10¢ and 25¢ coins. 50¢ coins remain in hopper. Overall size is 18" wide, 13" high, 9" deep. Sturdy carrying case has leather handle. Unit operates on 110 volt AC, 60 cycle current; with an inverter it may be used in an auto.

## Pick-a-Phrase & Collect

653 Choice of twelve selected phrases for stamping invoices and statements to expedite collections is provided by multiphrase HOMS Collection Stamp, saving time and ending need for paper stickers. First phrase expresses appreciation for order received; remaining phrases step



up degrees of polite firmness. All phrases are listed and numbered on dial; user simply chooses number of desired phrase, turns selector key to stamping position. Product of Douglas Homs Company.

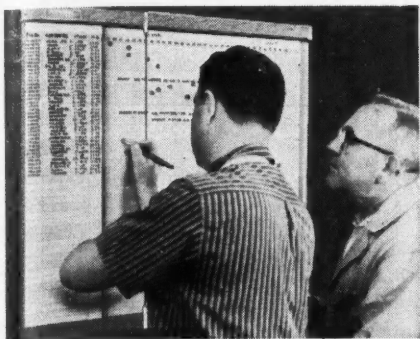
*This Department will welcome opportunities to serve you by contacting manufacturers or wholesalers for further information regarding products described herein. Please address MODERNIZING, Credit & Financial Management, 229 Park Av. So., New York 3.*

## Solve Account-Numbering

654 VIStronic Simplified Alpha-Numerical Account Numbering system is a completely prepackaged solution to difficult numbering problems faced by banks, other businesses with automatic or semiautomatic book-keeping machine installations. Numbers are arranged so that any clerk may assign an account number immediately, accurately and without any computation, says maker VISI-record Inc. System allows for expansion and no cross reference files are needed. Varied housing line includes VIStronic tray shown, which holds 1475 indexed sheets with space for total of 376,000 account numbers in both trays; well-table provides convenient working height and mobility.



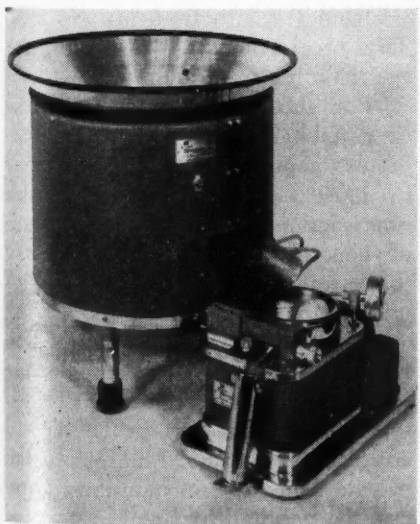
## Flexible Visual Chart



655 Simple, fast method for scheduling periodic jobs, data processing machines, manpower allocation is provided by ROL-A-CHART Visual Chart of Conley, Baltzer & Steward. Entries are made on rotating, transparent plastic sleeve with a marking pencil and erased or changed with wipe of cloth. No typing, tabs or cards are required. Continuous sleeve moves across a fixed grid designed so that any time interval can be utilized. Made of steel and finished in gray hammertone, Rol-a-Chart comes equipped with wall hangers, folding easel, carrying handle. Full-scale sample chart section offered free.

## Coin Feeding

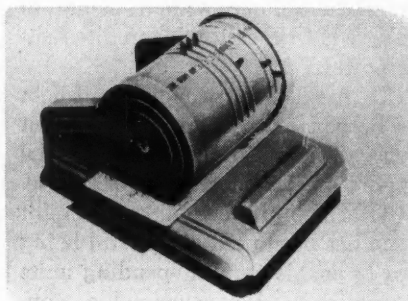
656 KLOPPHOPPER Model H. Coin Feeder automatically feeds coins into hoppers of counting and sorting machines at speeds adjustable to capacity of operator or machine. Although shown with Klopp Model DE Coin Counter-Packager, machine is adaptable for use with most makes of counters and sorters, says maker Klopp Engineering Inc. It has a capacity of 10,000 to 12,000 coins and



maximum delivery of 6,000 coins per min. Device is 18 in. in diameter, 20 in. high; plugs into standard 110 volt electrical outlet.

## Check Protector

657 Permanent protection against check tampering for both business and personal checking accounts is afforded by PERMA PRINT Check Protector of Applied Research Corporation. Single setting of indicator dials produces amount line in bold, easy-to-read indelible print, in one simple operation. Attractively styled device is available in decorator colors, is



light in weight and may be stored in desk drawer. Re-ink supply is furnished with machine; no ribbons or ink rolls to bother with.

## 2-in-1 Recording Camera



658 Compact COPY-CART Recording Camera of Peerless Photo Products Inc. combines in single portable unit, continuous-flow reducing camera and an automatic processor which eliminates any need for darkroom or for water supply. Among applications: lock-box handling of checks; bills of lading, policy records and credit collection agency records. Device takes checks or other opaque originals up to 9 in. wide, provides reduction to 70 per cent of original linear size. Copies are automatically processed and delivered at rate of approximately 1,200 check-sized originals per hour, says maker.

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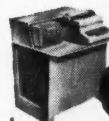


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Even if you send only twenty letters a day you can do it cheaper, faster, and *personalize* every collection request with an Auto-typist. Personalized, Auto-typed letters stimulate action from delinquent accounts more than form letters; each account is treated as an individual; and you can set up a realistic follow-up schedule.

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## Trillion Dollar U.S. Debt Seen by 1970 If Inflation Rises in "Roaring Sixties"

**T**RILLION DOLLAR total debt of the United States by 1970 is not fantastic guessing at the



DR. A. A. SMITH

Dallas.

"The phenomenal growth of our economy has necessitated a vast amount of credit," and "private non-business debt is seven times greater than 20 years ago," the analyst told the 63rd Annual Credit Congress, National Association of Credit Management, at Dallas.

Charging that "government has become masterful in the art of spend-

ing to get votes," Dr. Smith warned that "continual doping of our economy can lead to defeating the purpose of improving it."

The banker summarized the economic and credit situation as follows:

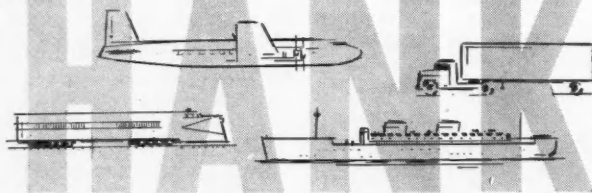
(1) There is no definite proof to indicate that the total debt has reached a dangerous or unsupportable level.

(2) There appears to be a relatively high rate of savings to support the credit volume without using to excess what we call bank-credit-creating powers.

(3) A sufficient proportion of debt has been used to enlarge our output capacity enough to assure substantial support of the debt in a real sense.

(4) The proportion of credit which has been used and is still being used to enable certain spending units to acquire readily consumable, non-productive goods is small, and much of this small proportion is merely

out of sight...out of mind...



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when you're talkin'.*  
—Holiday

convenience credit of very short duration.

(5) In this period of what some people have called "the era of the new economics," when debts seem not to worry us the way they used to, we are counting heavily upon the growth of the economy as a whole to reduce burdensomeness of the debt more than we are counting upon reduction of aggregate debt.

(6) In the final analysis, those who probe the economics of credit likely will find that it is not in the total quantity of debt, or of any large credit components, that we should seek indications of trouble, but rather we should examine carefully the quality of credit.

### The "Roaring Sixties"

Of the 'Roaring Sixties,' said Dr. Smith, "trends already underway or in the making foretell the future sufficiently to enable us to say that it will justify the sobriquet. At least we can say that there is certainly nothing evident now which would cause anyone to suppose that our economy will be any less dynamic in the next ten years than it has been in the past ten.

"Industry stands challenged today to develop such new fields as atomic energy and electronics, whose possibilities seem boundless, fields we have scarcely scratched to date. Those in credit are going to be amazed by what will be done by electronics in their field. No one dares predict what the so-called 'space age' is going to unfold.

"For those who think in terms of population, let's point to an expected population of 210 millions by 1970. For those who work with gross national product as a measure of economic achievement, we can say that projections indicate a GNP of not less than \$800 billions by 1970."

Citing the more than \$200 billion rise of our private debt in the decade of the Fifties, Dr. Smith declared that "the Sixties very probably will add not less than \$300 billions to the private debt, and no one dares forecast the public debt."



# Guides to Improve Executive Operation

## EFFICIENCY TIPS

818—"Forging Ahead in Business with Creative Sales Ideas," 40-page 8x11" catalog of The Marvic Company features trade show goodwill builders, promotional give-away items, direct mail enclosures. For copy, write on your business letterhead.

819—"How Electrofile Random Access Push-Button Card File Systems can save time, work and money in handling loan accounts" is title of descriptive leaflet of Electrofile Div., Underwood Corp.

820—"How to Index Your Microfilm Records," new booklet of Recordak Corp., sub. of Eastman Kodak Co., simplifies and explains methods for indexing microfilmed records.

821—Samples of Dri-Rite new carbon paper product said to be "white glove clean" are offered by Standard Manifold Co. Dri-Rite is used for copies on any kind of paper or card stock.

822—"Functional Beauty for Business and Institutional Interiors," booklet of U.S. Plywood Corp., tells ways to achieve a more attractive office.

823—Cel-O-Tab Indexing Tape, red and yellow tabs of Scotch brand transparent tape packaged in roll dispenser, for catalogs, rate books, directories, is described in leaflet of Tape Indexes, Inc.

824—How to double shelf area in same floor space is told in Equiptogram #307 bulletin of Equipto.

825—Direct image Offset Master for short runs of 100 copies or less is described in literature of A. B. Dick Co.

*To expedite receiving booklets described above in this column, address all inquiries concerning Efficiency Tips to CREDIT AND FINANCIAL MANAGEMENT, 229 Park Av. So., New York 3, N. Y.*

## KEEPING INFORMED

STATEWIDE INDUSTRIAL DEVELOPMENT CREDIT Corporations and State Development Authorities, 1958. A tabulation of State organizations formed in last ten years to help finance economic development. Includes information on capitalization, number of stockholders, amounts available, number of loans applied for and approved. 5 cents a copy. U.S. Department of Commerce local field office or Superintendent of Documents, Govt. Printing Office, Washington 25, D.C.

CUTTING OFFICE COSTS IN SMALL PLANTS—Small Business Management Series, Catalog No. SBA 1.12:6, 1953. 25 cents a copy. From local U.S. Department of Commerce field office or from Superintendent of Documents, Govt. Printing Office, Washington, 25, D.C.

## BOOK REVIEWS

A STUDY IN LIQUIDITY—by William A. Paton, Jr. \$5.00. 176 pages. Bureau of Business Research, School of Business Administration, University of Michigan, Ann Arbor, Mich.

• In this Michigan Business Study, William A. Paton, Jr., professor of business administration, concludes that corporate accountants and managements should more carefully appraise the "impact of inflation upon the monetary items of business enterprises as a major phenomenon."

All items on the balance sheet are "monetary" items, says Dr. Paton, introducing his discussion of their nature, of loss and gain, procedures employed, aggregate and individual company patterns, and long-term debt. Fifty-two individual company tables of short-term items are carried in the Appendix.

use them FREE for 10 days!

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SAVE! Send \$4.95 with this coupon and we will pay postage. Same return privilege; refund guaranteed.

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Remember, all these successful letters are ready for you to use at once . . . and any one could easily be worth hundreds of dollars to you, not only in increased collections, but in time and effort. Veteran credit men are enthusiastic in their praise of the "Complete Credit and Collection Letter Book." George J. Schatz, Vice-President of Commercial Factors Corporation, says: "This book not only supplies 'know-how,' but also makes available dozens of new credit and collection ideas." And W. R. Dunn, General Credit Manager of General Foods Corporation says: "This book is full of the how-to-do-it of making your letters human, tactful and effective."

details and were not interested in becoming involved. However, if they wanted to sell this type of account they had to be prepared. It was agreed that a salesman could have only a limited number of marginal accounts in his territory.

I do not mean to imply that Credit has no more responsibility once the account is established. We have to monitor each account closely and to be sure to urge the salesman to act promptly. Also, in the event a marginal account goes bad, it's the credit department that picks up the pieces, in the last analysis.

Another important lesson learned pertains to the use of personal guaranties. A guaranty with a loophole is no guaranty at all. We have recently changed and strengthened our standard form of guaranty, in keeping with recommendations made in a booklet titled "What the Business Executive Should Know about Guaranties and Subordinations," published by the New York Credit and Financial Management Association.

When a prospect quibbles because of the completeness of the language of the document, our reply is: "Mr. Jones, if your desire is to guarantee the account, a guaranty with loopholes will obviously not do the trick."

Also in connection with guaranties, it is important to obtain a financial statement from the guarantor in order to establish the worth of the guaranty itself.

#### *Make Periodic Reviews*

Lastly, it is important to be sure that you are set to review from time to time the structure of the concern guaranteed. It is a little disconcerting to find that the partnership covered by the guaranty is now a corporation instead—and the guaranty is worth nothing.

Taking a note for an indebtedness, whether past-due or not, is actually accepting only a promise to pay at a certain place at a certain time. In our experience, the only thing that makes the note any better than the usual buyer and seller agreement is that it has interest attached to it. The actual receipt of merchandise on credit involves a promise to pay that is just as good as a note. However, if the debtor is penalized when he defaults you, then his urge to pay on time is somewhat greater. Any time we require a note to support a promise to pay, we insist that the note bear interest.

A marginal account is one which is deficient in one or more of the three Cs of Credit. We in credit cannot supply the character or the capacity. We are in a position to supply

capital only. We decided we should do so only when the applicant had both character and capacity.

Our sales staff searched for prospects of good character and demonstrated capacity to sell the merchandise, but perhaps lacking capital. Many employed as agents or selling partly on commission arrangements are eager to get into business for themselves.

#### *Alternate Plans Set Up*

Our sales and credit departments worked out several alternate plans to get such people selling our product. Four separate methods are now used under what we call our financial aid program, as follows:

1. *Book Credit*—Under this plan we take a long-term note for the initial shipment, payable over three years at 6 per cent interest. All other shipments are made on regular terms, with the usual cash discount.

2. *Dealer Consignment*—Under this plan, we also take a long-term note for the initial shipment at 6 per cent interest, but the customer uses the merchandise to consign to his dealers. He does not have the capital necessary to handle sales on consignment and we supply it. The customer's subsequent purchases are made on regular terms.

3. *Ledger Balance*—This method is similar to a consignment except that title passes on shipment from our plant. The customer reports his inventory monthly and essentially pays for what he has sold. Here again we are helping him carry a proper inventory.

4. *Consignment by Supplier*—This allows us to ship merchandise to the customer while retaining title to it and even a hold on the customer's accounts receivable arising from the sale of our product. It has the effect of supplying the prospect with capital in the form of merchandise.

#### *Adherence to Rules Urged*

We do all we can to impress upon our marginal accounts that these are special arrangements outside our regular method of doing business, and that therefore we ask for rigid adherence to all rules of the agreement. The customer is asked to sign a detailed contract. We get whatever security we can. We make sure the prospect is prepared to keep an adequate set of books and to supply us with monthly or quarterly statements. Also, we impress upon him the thought that if we are helping supply the capital we have every reason to expect our account to be paid on time.

We have found it important to set up in the credit department a definite method for controlling the inventory shipped to marginal accounts, even to consignment accounts, since it is even more important that they keep their inventory to a minimum. They cannot afford to invest in inventory more of their dollars or ours than absolutely necessary.

Although not all the results are in for us as yet, a planned program for selling to marginal accounts should help you collect your money and make it pay for you to take the additional risk.

*A hopeful poet submitted a poem entitled "Why Am I Living?" The editor returned it with a note reading: "We regret that we cannot use your poem, but we can answer your question. It is because you mailed the poem to us instead of delivering it in person."*

—The Bulletin (American Surety Co.)

# Artificial Restraints Are Decried as "Hardening the Arteries" of Business

THE greatest danger facing this nation "could be our inability to recognize—and our unwillingness to permit—the natural, normal growth of which we are capable," says William A. Blakley, chairman of the executive committee of the Braniff company, board chairman



W. A. BLAKLEY

of Exchange Bank & Trust Company, Dallas, and former U.S. senator from Texas.

"We cannot expect to bring about a continual, normal expansion if we artificially tighten credit, make capital scarce, and raise interest rates too high," Mr. Blakley told the 63d Annual Credit Congress, at Dallas.

And why not? Because "then we are inducing a hardening of the arteries of commerce, industry and business, which can only result in unemployment, reduction of income and constriction of the entire economy.

"If we are going to continue to grow—which we must—we should not impose artificial restraints and controls and restrictions upon every phase of our economy."

Cautioning against confusing inflation with expansion, the business leader declared that credit and capital "are just as vital as manpower and natural resources, and all four must be considered together.

## Credit Founded on Growth

"You cannot have a healthy, abundant, expanding economy by restricting the credit resources of the nation. The most basic elements of credit are income and earnings—and credit must be founded on growth and not contraction."

Management of the national debt is the primary problem in this Age of Paradox, the credit executives were told—management that will "keep the debt in proper relationship with the other elements, such

as national wealth, national income, and governmental revenue."

In times of prosperity the debt "should be reduced substantially", but "we go right on increasing government spending, enlarging the national debt, adding to the tax burden of the people, and mortgaging the welfare of the future.

"There is much talk about reducing the debt and curtailing expenditures, but can you recall any serious efforts toward this end that have been successful?

"We do not seem to have developed the capacity or understanding to cope with the problems of the tremendous expansion of government.

"Apparently, too many people are unwilling to accept the proposition that the government is *their* responsibility and that, in the final analysis, they will have to pay the bill."

The government must be big and strong, the domestic economy sound and the military defenses powerful, or "we are going to wake up one of these days to the realization that we have permitted erosion of the finest system of government ever devised for protection of individual liberty."

Productivity is one answer, Mr. Blakley believes; growth and expansion are the basic challenge, all to increase our national wealth. "I know of only one way this can be accomplished, and that is to utilize

the full productive capacity of both capital and labor.

"Work- production- earnings- income. Productivity promotes expansion and growth produces income. Together they create lasting wealth. Expanding income produces greater tax revenues.

"We are able—and should be willing—to pay our own way as we go—even reduce to some extent the total debt during such good times.

"We must decide how much we want to spend for government and then with courage and, if necessary, sacrifice, pay the bills ourselves.

"Only in this manner will we ever be able to get our country on a sound and permanent fiscal basis."

## Non-Productive Benefits

Both labor and capital are entitled to be rewarded for their contributions to the economy, said Mr. Blakley, "but it seems to me that our business operations are charged for too many benefits for non-productive efforts. Benefits paid for non-productive time are a drain on national wealth, but income that is derived from productivity contributes to the creation of national wealth. Income cannot be too great so long as it results from productivity—and real wealth can be expressed only in terms of productivity."

Mr. Blakley, twitting the "apostles of fear" who base their opinions upon "unchangeable sanctity" of the dollar, doubted that the dollar can be used to measure inflation any more than to measure wealth, for "the dollar is a medium of exchange and must be related to assets on a current basis."

The common interest, Mr. Blakley asserted, is betterment of the standard of living; the common cause, maintenance of individual freedom and preservation of the finest system of government in history. "We have the manpower, natural resources, credit and capital. All we need is courage, faith, vision and confidence."

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THE multiple interests of William A. Blakley include commercial aviation, banking, oil production, real estate, insurance, ranching, besides a period as U. S. senator from Texas.

Mr. Blakley is chairman of the executive committee of Braniff International Airways; founder and board chairman of Exchange Bank and Trust Company of Dallas; a sponsor of the Law Institute of the Americas, at Southern Methodist University; a member of the Dallas, State and American Bar Associations; a certified public accountant.

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# Speakers of National Repute Awaiting Call to Rostrum at Credit Congress

By **FRANK W. RIES**  
*Credit Manager*  
*The R. J. Brown Co., St. Louis, Mo.*  
**Publicity Chairman**  
**64th Annual Credit Congress**

**W**HEN credit and financial leaders from the nation's 50 states and beyond our borders stream through the St. Louis "Gateway" to the 64th Annual Credit Congress May 15-19, they will find that the program committee has erected in convention hall a platform of individual and panel speakers of national repute.

While the podium schedule for the annual gathering of the National Association of Credit Management is, of course, incomplete at this writing, outstanding messages already are assured from such notables as Welby M. Frantz, president American Trucking Associations, Inc.; Dr. William H. Alexander, manufacturing and sales management personnel advisor to General Motors Corp.; Joseph F. Holland, special assistant to Joseph Pulitzer, Jr., publisher of the *St. Louis Post-Dispatch*; and Raymond Roche Tucker, whose administration of the mayoralty office has won him national acclaim.

Also, a novel innovation awaits the delegates when the play, "The Voice of The Gavel", will be presented.

"The Voice of the Gavel," first staged at the August, 1958 annual meeting of the American Bar Association, with a cast of distinguished members of the bench, bar and credit

professions, gives a practical demonstration of the problems faced by a debtor in a financial bind, by his attorneys, and by his creditors.

The play was written by Jack Stutman, with special material contributed by Francis F. Quittner and Hubert F. Laugharn, all of the Los Angeles Bar. Warren Duff, a professional writer, edited the script and directed the performance. H. Keith Weeks, formerly of Metro-Goldwyn-Mayer, managed the staging. Herbert Sturdy, Los Angeles, chairman of the American Bar Association's section on corporation, banking and business law, who had suggested the

writing of such a play, helped supervise production.

The play deals with the problem of an insolvent manufacturing firm "which got in with the Government." It analyzes the debtor's dilemma, probes the relationship of debtor and credit, with particular reference to psychological, economic and social as well as legal problems, analyzes the routes available to an insolvent debtor from his initial interview with his counsel through an out-of-court meeting with creditors and thereafter, to a Chapter XI court proceeding, finally a workable solution. The faithful reproduction by the author of many realistic situations, enacted by a cast fully familiar with the problems presented, skillfully combines education and entertainment.

Credit groups all over the United States sought permission to use the play. Last October 15th it was staged again in Los Angeles, at the Pacific Southwest Credit Conference. This highly successful "rerun" resulted in a request for its presentation at the NACM convention in St. Louis. Indications are that a number of the original cast will make the trip to St. Louis, including Mayor Norris M. Poulson of Los Angeles; Benno M. Brink, senior referee in bankruptcy of the Southern District of California, Central Division; Jerry Nemer, member State Bar of Cali-



**Welby M. Frantz**



**Mayor Ray R. Tucker**



**Joseph F. Holland**



**Dr. William H. Alexander**

fornia; and Jack Stutman, the author.

Among the many panel presentations at the convention will be one of special interest on "Transportation's Future and Its Effects on Our Economy". Speakers will represent various lines of transportation, including railroad, airline and trucking.

The convention is fortunate in having, as the speaker for trucking, Welby M. Frantz, president American Trucking Associations, Inc. Mr. Frantz, of Terre Haute, Ind., is executive vice president of Eastern Express, Inc., a regular route common carrier, the twelfth largest common carrier of general commodities in the U. S. He has been in the trucking business since 1930, rising to his present position from a clerical job with a truck line in Bloomington, Ill. He was elected a vice president at large of ATA in October, 1957. At the 25th annual convention at Miami Beach in 1958, he was elected first vice president, and at the Los Angeles convention in 1959 became ATA president.

For many years Mr. Frantz has been an active member of the Indiana Motor Truck Association, serving as president, chairman of the board and chairman of the Indiana Motor Carriers Labor Relations Association. The last six years he has been chairman of the trustees of the Eastern Central Motors Carriers Association.

#### *On ATA Advisory Committee*

Mr. Frantz has also served the American Trucking Associations as a member of the executive committee for some time, first elected Indiana vice president of ATA, subsequently a regional vice president. When the ATA Committee of 100 was formed in 1949, Mr. Frantz was requested to serve with this advisory committee on public relations. He has continued in this capacity each year, several terms as its vice chairman. In addition, he has served on the ATA's Industrial Relations Committee.

He is a founder member of the American Society of Traffic and Transportation, and a vice president and director of the Indiana State Chamber of Commerce.

Mr. Frantz was one of the first truck transportation leaders recruited by ATA for service with the Persian Gulf Command in 1942, supplying



**IN THE ORIGINAL CAST** of "The Voice of the Gavel", play on bankruptcy procedure to be staged at the Credit Congress. Among participants at the Los Angeles showing were: (seated, left to right) Jack Stutman, Los Angeles Bar, the author; Mayor Norris M. Poulson, and Benno M. Brink, senior referee in bankruptcy, Southern District of California, Central Division. Standing: Jerry Nemer, member State Bar of California.

trucks to the Russians over a 600-mile route. After 34 months overseas Army service, including the Rhine Campaign, he left the service with the rank of captain. In August, 1946, he joined Eastern Express, Inc., as vice president and general manager, and advanced to executive vice president.

Other positions: member ATA president's advisory committee to the Bureau of Public Roads, 1957 to date; member ATA's highway engineering committee; member advisory council to the business department of Indiana State Teachers College; faculty associate, school of business, Indiana University.

#### *Dr. Alexander Noted Clergyman*

Dr. William H. Alexander, pastor of the First Christian Church of Oklahoma City, who will address the convention as a courtesy of General Motors, is recognized as one of the Southwest's best known clergymen and a man of many activities.

Especially concerned with the problems of youth, Dr. Alexander organized in Oklahoma what has been called one of the greatest Protestant youth programs in the nation. One

feature of this is the youth center adjacent to his church, with its community programs and facilities for wholesome recreation and social activities.

Son of a clergyman, William Alexander did not at first intend to enter the ministry. He was a four-letter athlete in high school, an amateur boxing champion and leader of a dance band. He tried the life of an entertainer, abandoned it for a churchman's career. He attended the University of Missouri; Phillips University, Enid, Okla., and was graduated from the University of Tulsa. Subsequently he did graduate work at the University of Chicago on a scholarship and completed his studies for a LL.D. degree. Dr. Alexander held pastorates at Stroud and Bristow, Okla., and in Los Angeles before going to Oklahoma City. In the latter part of World War II he served as a war correspondent in Italy for several Oklahoma publications.

Joseph F. Holland, widely known as "Mr. Toastmaster" in St. Louis, will address the Credit Congress on "The Obligation to be Informed, and the Opportunity."

Mr. Holland, now special assistant



to Joseph Pulitzer, Jr., the publisher of the *Post-Dispatch*, had been assistant attorney general of Missouri; city counselor of St. Louis; vice president of the Manufacturers Bank & Trust Co.; and a member of the board of directors of the Chamber of Commerce of Metropolitan St. Louis.

In his earlier days he had been a reporter for the *Post-Dispatch*, the *Globe-Democrat* and the *Star-Times*.

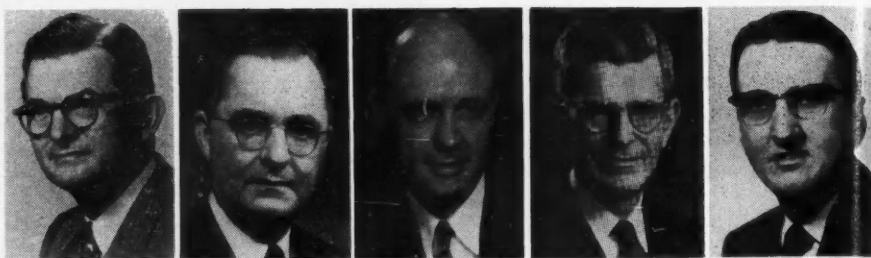
#### Mayor Tucker a Civic Leader

Mayor Raymond R. Tucker, who will welcome the Credit Congress guests on Monday, May 16th, was elected to the office April 7, 1953.

After early education in public and parochial schools he obtained his B.A. degree from St. Louis University in 1917, and his B.S. degree in mechanical engineering from Washington University in 1920. Both universities have since awarded him honorary doctor of laws degrees.

After 13 years as an associate professor of mechanical engineering at Washington University, Mayor Tucker entered public life in 1934 as secretary to Mayor Bernard F. Dick-

## Enlisted in Fight on Commercial Crooks



**FRAUD PREVENTION COMMITTEE** of The Cleveland Association of Credit Management. Left to right: Chairman, Willard W. Thomas, secretary of Campus Sweater & Sportswear Co.; D. S. Clarke, vice president, Central National Bank; C. Fred Ensign, assistant treasurer, Cleveland Twist Drill Co.; Walter N. Lawson, treasurer, Medusa Portland Cement Co., and J. A. Swaney, assistant to treasurer, Harris Intertype Corp.

mann. In that administration Mr. Tucker took over active leadership of the city's smoke elimination program and prepared the basic ordinance which has been the pattern in other countries as well. He also was the city's first smoke commissioner; later, director of public safety, secretary of the citizens survey committee, and member of the group which wrote the civil service amendment.

In July, 1942, he left public office

to return to Washington University as chairman of the department of mechanical engineering.

Mayor Tucker has received numerous citations for outstanding public service, including the St. Louis Award in 1956. He holds the Page One Award from the St. Louis Newspaper Guild and a plaque from the St. Louis Chapter of the Missouri Society of Professional Engineers. He is also a fellow in the American Society of Mechanical Engineers.

Long active in the American Municipal Association, Mayor Tucker was elected its president last December.

With the aid of many citizen groups, including Civic Progress, Inc., Mayor Tucker has accomplished four major goals: (1) passage of the \$1,500,000 Plaza bond issue; (2) adoption of the earnings tax charter amendment which has enabled the city to balance its budget; (3) the \$110,639,000 public improvement bond issue; (4) adoption of a charter amendment authorizing an increase in the city earnings tax to 1 per cent.



**HEADING** 1960 activities of the Southwest Petroleum Credit Association are these officers: seated (l to r) Martin E. Bruce, acting credit manager Humble Oil & Refining Co., Houston, first vice pres.; S. J. Barrett, div. cr. mgr. Magnolia Petroleum Co., Dallas, pres.; Kenneth L. Burger, asst. cr. mgr.; Kerr-McGee Oil Ind., Oklahoma City, secty.-treas. **STANDING:** W. L. Orr, cr. mgr., Gulf Oil Corp., Houston, second vice pres.; L. O. Rydholm, cr. mgr., Standard Oil Co. of Texas, El Paso, third vice pres., and R. W. Berrong, regional cr. mgr. Continental Oil Co., Fort Worth, fourth vice pres.

#### I. W. Gard and H. L. Lawson Die; Past Presidents Miami Unit

Two former presidents of the NACM South Florida Unit (Miami) passed away within two weeks of each other—I. W. Gard and Harry L. Lawson. Both had contributed much to the advancement of organized credit in their terms of office.

I. W. Gard, the first president of the association, had retired from business several years ago. Mr. Lawson, president 1956-57 and recently reelected director, was vice president of Bailey's Lumber Yards, Inc.



An investment in knowledge always pays the best interest.  
—Franklin

### Gueble NACM Director, Fills Term of Late Leon H. Stacy

Edward F. Gueble, Los Angeles, has been elected a director of the National Association of Credit



E. F. GUEBLE

Management to fill the post vacated by the death of L. H. Stacy. Mr. Gueble is corporate credit manager of The Garrett Corporation. Mr. Stacy had been

elected to a one-year term at the Credit Congress in Dallas.

Mr. Gueble, councillor of the Credit Managers Association of Southern California, has held all major offices in the organization, including the presidency, and is past Grand Exalted Superzeb of the Royal Order of Zebras. At the Credit Congress in Chicago in 1955 he was honored with the silver plaque of the Zebras.

Mr. Gueble began with the Garrett organization in 1941, was credit manager of Garrett Supply Company, organized the credit department.

As corporate credit manager he advises all divisions and subsidiaries in credit matters.

## Tight Money Accentuates Credit Job To Aid Sales, Says Moran at Omaha

THE "rather severe credit stringency which appears to be building up, similar to the boom-busting experiences of the past," accentuates credit management's job to work side by side with sales personnel in developing maximal profit business for the company, said Edwin B. Moran, executive vice president National Association of Credit Management, at the Tri-State Credit Conference in Omaha. Affiliated associations of Iowa, South Dakota and Nebraska were represented at the 35th annual gathering.

Unless the Federal Government reduces unnecessary spending, creeping inflation will stay with us, declared Mr. Moran, banquet speaker. "In the past year, the Government hired 10 per cent more employees while paying out 133 per cent more in salaries." Removing 150,000 from the Federal payroll would save \$2.5 billions, he declared.

With production costs rising and our goods "pricing themselves out of their traditional markets abroad" as foreign producers deliver goods to our shores at lower cost than we can produce them, "it is apparent that any wage increases must be based on productivity and not on politics or the bargaining strength of the unions," he said.

After Wednesday's registration and a Thursday breakfast gathering of National officers and directors, presidents, secretaries and councillors, the first session got underway with greetings from Omaha's Mayor John Rosenblatt and National director L. F. Sullivan, Des Moines *Register and Tribune*.

The outlook on the inflation front was the theme of Howard H. Buffett, vice president Kirkpatrick-Pettis Company, Omaha. Some of the legal aspects of credit were analyzed by Edmund D. McEachen, attorney, Young, Holm & Miller, Omaha.

Eleven Industry Groups took over for the afternoon, after luncheons under the chairmanship of Soren O. Sundell, T. S. McShane Company, Omaha.

Outstanding actions of the first session of the 86th Congress were sketched by U. S. Senator Roman L. Hruska at Friday's plenary session.

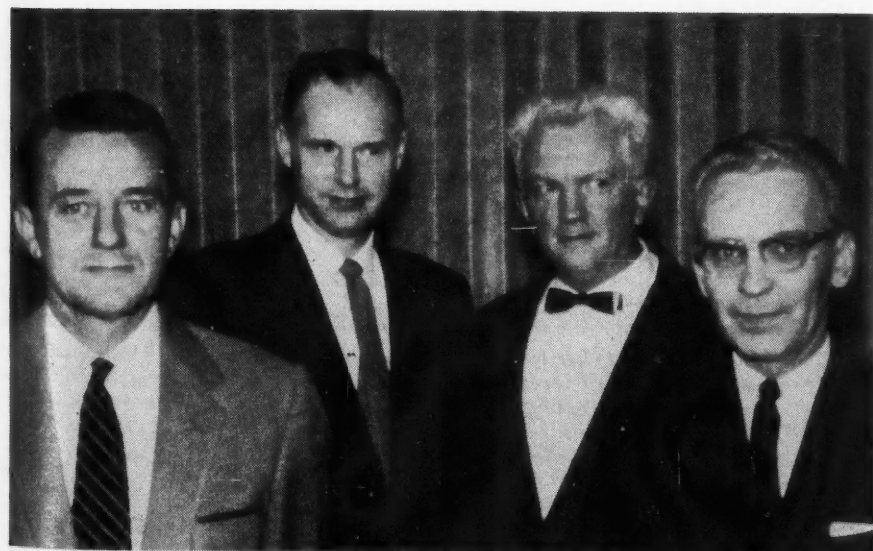
Human relations up-to-date was the topic of J. O. Grantham, vice president in charge of employee relations, Northern Natural Gas Company, Omaha.

Guest speaker at the closing luncheon was Dr. Kenneth McFarland, educational consultant and lecturer, General Motors, and educational director, American Trucking Association, Inc.

Garland Holeman, Sidles Company, Omaha, is president of the host association, NACM Nebraska-Western Iowa Unit. R. E. Edwards, Bemis Bros. Bag Company, general chairman, presided at the session opening the conference.

### "This Is (Vic Johnson's) Life"

V. L. Johnson, who at 75 does a day's work every day as credit manager of Johnson Brothers Auto Supply Company, which he owns jointly with two brothers, was the subject of a "This Is Your Life" sketch staged at the Christmas party of the Wichita Association of Credit Management. A camera was presented to the honor guest. The company is a charter member of the Wichita association.



NEW OFFICERS of the Quincy (Ill.) Association of Credit Men: (l to r) D. F. Hessing, Tenk Hardware Co., president; E. A. Lattner, Pittsburgh Plate Glass Co., councillor; C. F. Heintz, Heintz Electric Co., second vice president; R. L. Rupp, Central Plumbing Supply Co., Hannibal, Mo., first vice president. Not in the picture: C. F. Ridder, Mercantile Trust & Savings Bank, treasurer, and J. F. Schofield, executive vice president.

## Character Rides High C's of Credit,

### Holmes Tells Southern Executives

Today's business operations emphasize the ranking of the "C" for Character in high position in the credit executive's alphabet, William L. Holmes, president National Association of Credit Management, told 500 delegates in his address opening the three-day Southern Division Credit Conference in Memphis.

Calling the first general session to order was Roy N. Tipton of Wurzburg Bros., Memphis, president of the NACM Mid-South Unit, who introduced Ned M. French, NACM director, chairman of the plenary session and treasurer of McDonald Bros., Inc., Memphis. Lysle H. Koogle, president Triangle Supply Co., El Paso, vice president NACM Southern Division, responded to the welcome by Mayor Edmund Orgill of Memphis, as did Miss Margaret Hail, Chattanooga Medicine Co., vice chairman National Credit Women's Executive Committee.

Answering his own question, "Peace by Summits?", Dr. David M. Amacker, Southwestern University, etched developments on the Free-World vs. Russia issue.

Lester C. Scott of E. L. Bruce Co., Memphis, past vice president Southern Division, presided at the second general session.

#### Education as Stepping Stone

William L. Layton, education director, NACM, discussed education as a vital preliminary to better credit management.

Earl E. Davenport, graphs analyst, presented facts credit managers should know about handwriting.

Jack C. Hodgkins, executive secretary, Georgia Association of Credit Management, Atlanta, reviewed the services provided by credit organizations.

Meetings of seven Industry Credit Groups concluded the conference.

Five panel discussions were held in the food, drug, confectionery and tobacco group, with J. W. Stickley, Plough, Inc. as chairman. Speakers before the building, industrial, electrical suppliers, paint and plumbing group were Carl R. Graves, referee in bankruptcy; Robert P. Day, assistant manager U. S. Fidelity &

Guaranty Co., and E. J. Keller, assistant treasurer of Jones & Laughlin Steel Warehouse Division at Indianapolis. Reginald Tolar of the J & L division was chairman.

Robert T. Bratten of McGregor's, Inc., and Irvin Bogotin, attorney, addressed the textiles, hardware, major appliances, television, and furniture credit executives. Chairman: E. C. Walker, Woodson-Bozeman, Inc.

Pertinent topics were presented by Frank M. Norfleet, vice president Parts, Inc.; C. C. Smith, vice president National Bank of Commerce; and F. J. Glankler, Jr., addressing the group representing petroleum products, tires, auto accessories, and automotive credit. Chairman: Miss Rita Robinson, The Pure Oil Co., Birmingham.

#### Adams and Lowrie Speakers

The advertising, graphic arts, fine paper and printers supply group heard T. J. Adams, vice president and credit manager Times-Picayune Publishing Co., New Orleans, past NACM

director; James Lowrie, IBM, and a representative of Treadwell & Harry, insurance firm. Chairman: J. W. Edge, Jr., J. Edge Co.

The banking, finance and loans group had as speakers Harold C. Curry, vice president Union Planters National Bank; W. D. Galbreath, president Percy Galbreath & Son, Inc.; Frank W. Fisher of Anderson, Fisher & Vaughan; and Ralph Crockett, vice president First National Bank of Memphis. Chairman: C. Gordon Rehkopf, asst. vice pres., The First National Bank of Memphis; co-chairman Clyde C. Crews, vice pres., Frost National Bank, San Antonio, NACM director.

The feed and seed division of the Mid-South Agricultural Credit Conference heard talks by W. R. Quigley of The Quaker Oats Co., and Wayne A. Corpening, vice president Wachovia Bank & Trust Co., Winston-Salem. Section B, on liquid and dry fertilizers, farm implements and equipment, was addressed by George B. Moffat, assistant vice president The First National Bank of Memphis, and John A. Huff, assistant credit manager Agricultural Chemical Division, Olin-Mathieson Chemical Corp., Little Rock. Chairman: W. F. Banker, Grace Chemical Co., Division of W. R. Grace Co.



**THEY ALL PARTICIPATED** in a Credit Seminar, including a panel discussion of inflation's effects and an address on the foreign market's impingements on prosperity, conducted by The Youngstown (Ohio) Association of Credit Men. **SEATED (l to r):** Walter G. Scott, treas., The Powell Pressed Steel Co., Hubbard, O., assn. past president; seminar moderator Robert L. Miller, dean, school of business administration, Youngstown University; and Dr. Taghi Kermani, instructor in the school and evening session speaker.

**STANDING:** panelists Paul E. Zimmerman, vice pres. & loan officer, Mahoning National Bank; Howard M. Conner, credit mgr., Republic Rubber Div., Lee Rubber & Tire Corp.; Dr. Theodore C. Scheifele, associate professor of sociology, Thiel College, Greenville, Pa.; Samuel H. Sloan, acting chm. of economics and business administration, Westminster College, New Wilmington, Pa., association vice pres.; and program chairman John L. Grim, credit manager, The General Fireproofing Co., Youngstown, now association president.

## Free Counseling Group Named To Help Independent Dealers

Gratis counseling for independent dealers is provided under a new program initiated by the New York Paint, Varnish and Lacquer Association, Inc. Company presidents, treasury, credit and sales executives have been named to a Dealer Advisory Committee announced by Jack B. Conors, of Paterson, N.J., association president.

The manufacturer-dealer relationship plan was authored by Michael Rubenstein, vice chairman of the trade sales committee.

The committee members, all of New York City except as noted, are: Lester Arnstein, president Arnesto Paint Co.; Joe Finck, credit mgr., A. C. Horn Co.; Jerome Monasch, pres., Lehman Bros. Corp., Jersey City, N.J.; Michael Rubenstein, pres., Baldwin Oils & Commodities, Jersey City, N.J.; Leo Silverstein, senior vice pres. (retired), Benjamin Moore & Co.; Morton Smolin, eastern credit mgr., National Chemical Co., Newark, N.J.; Jack Southworth, mgr., Paint Div. Atlantic Br., National Lead Co.; Herbert Stein, gen. sales mgr., Sapolin Paints; Martin Weinstock, treas., M. J. Merkin Paint Co.

## Uppgren Sees Full Speed Ahead for Business and Without Much Inflation

**B**USINESS prospects for the next 8 to 10 months are "magnificent" and the growth will come without appreciable inflation, Dr. Arthur R. Uppgren, professor of economics, Macalester College, St. Paul, told the annual dinner gathering at the 44th Tri-State Credit Conference in Syracuse, N.Y.

The conference brought together credit executives of New York, New Jersey, Eastern Pennsylvania, and Maryland.

Dr. Uppgren, vice president of the Federal Reserve Bank of Minneapolis and lecturer on the faculty of the Graduate School (Dartmouth) of the National Association of Credit Management, noted that in each of the three postwar recessions the recovery was more than double the decline, due largely to "built-in stabilizers", which tend to support personal income and consumption when production sags.

The educator pointed to the tax structure, legislation that stimulates housing starts when business is down, to highway and defense outlays and

predicted large expenditures on capital equipment.

A Workshop panel at the opening luncheon was conducted by NACM's Credit Research Foundation.

The moderator was William J. Dickson, of General Electric Company, New York. The panelists: T. Nelson Gilbert, J. J. Haines & Co., Inc., Baltimore; Paul E. George, Columbian Rope Co., Auburn, N.Y.; and Frank E. Holley, Genesee Valley Union Trust Co., Rochester.

### Educators Address Executives

Speakers Friday forenoon included Dr. Merle Welshans, professor of finance, Washington University, St. Louis, and faculty member, NACM Graduate School, Dartmouth; William G. Sharwell, personnel research supervisor, American Telephone & Telegraph Co., also on the Graduate School faculty; and Dr. Burnice H. Jarman, professor of education, Washington University.

Dr. Jarman suggested that top management use positive means, rather than fear of loss of job, to win the best performance of personnel. These means include inculcation of pride of accomplishment and a feeling of importance with a voice in management.

Over-specialization should be avoided by credit executives, said Mr. Sharwell, if they are to merit a place in top management. Ability to integrate the several parts of a business characterizes the valuable executive, he added.

### Part in Politics Urged

Take an active part in politics, credit representatives were advised by members of a panel. Participating were Frank O'Neil, Manufacturers Association of Syracuse, and Dennis Dwyer, Oberdorfer Foundries. The chairman of the manufacturers' industry committee, which sponsored the panel, was Rolland P. Brown of General Electric.

Rev. Charles C. Noble, dean of religion at Syracuse University, addressed the closing session.

Next year, instead of a Tri-state Conference, there will be a convention of NACM's Eastern Division.



WHEN Paul A. Volcker, Jr. (second from right), financial economist, The Chase Manhattan Bank, New York, addressed the Syracuse Association of Credit Men on the business outlook for the months ahead, he was joined in a pre-dinner discussion by Peter Allen (right), credit manager, Lincoln National Bank & Trust Co.; Newton D. Bartle (extreme left), the association's executive secretary, and Vere Hunt, Carrier Corp., first vice president.



## Good Year Assured, Panelists Agree; Challenges to Management Outlined

Challenges confronting credit management, today's targets for successful credit operation, and a panel presentation of economic forecasts highlighted addresses at the annual Quad-State Conference at Quincy, Ill. More than 100 credit executives from Missouri, Kansas, southeast Iowa and southern Illinois attended the three-day gathering.

Strikes, tight money and sharpened competition make all the more vital an effective job by the credit manager as an ally of the sales staff to help increase the volume of profit business of his company, said Edwin B. Moran, executive vice president of the National Association of Credit Management, guest speaker at the annual dinner.

Ralph E. Brown, vice president Marsh & McLennan, Inc., St. Louis, and NACM's Central Division, had "Today's Targets" as his subject at the general luncheon on the closing day. Industry Group meetings took the place of general sessions on this day.

### Economic Forecast Panel

Highlighting the Thursday general session was an economic forecast panel presentation, "What's Ahead for 1960", with Roger Veach, director of personnel and public relations, Gates Radio Company, as moderator.

Limning the business picture for

the new year were Herman L. Brunner, vice president and treasurer Packaging Corporation of America; Dr. George W. Coleman, staff economist Mercantile Trust Co., St. Louis; Claude Holmes, vice president and treasurer Moorman Manufacturing Co., and W. H. Miller, controller Gardner-Denver Co.

As was to be expected, complications arising from management-and-labor problems figured markedly in the panelists' predictions. Nevertheless, business will have a good year, speakers agreed.

For example, Mr. Miller said that the heavy machinery industry looks to an increase of 8 per cent in business, and Gardner-Denver is expecting a 10 to 15 per cent rise in its foreign trade because its overseas factories "are now producing products at a price level which lets us meet foreign competition".

### Sees Boom Continuing

"The higher cost of money will affect instalment sales, home building and construction in 1960", he added, "but not enough to put a crimp in the tremendous volume of such sales now going on.

"The recent Federal Reserve Board decision to raise the interest rate should prolong the present boom and continue it at its current level, thereby preventing a quick bust later."

The Industry Groups which discussed current credit operational matters were: Group 1, manufacturers and industrial suppliers; Group 2, beverage, drug, food, hotel and restaurant suppliers, meat packing, general merchandise and wearing apparel; Group 3, automotive, feed, farm equipment and supplies, petroleum, seed; Group 4, building materials, construction equipment, electrical supply distributors, paint, plumbing, heating, air conditioning, refrigeration; Group 5, appliance and electronic distributors, floor covering, furniture, hardware.

The Light Opera Guild of Culver-Stockton college at Canton, Mo., provided entertainment at the dinner. Current newscasts were given at intervals to the conferees by Charles Griffith of radio station WGEM and by Robert Eickmeyer of WTAD.

D. F. Hessing of Tenk Hardware Co. is president of the Quincy Association of Credit Men. J. F. Schofield, executive vice president and secretary-treasurer of the St. Louis Association of Credit Management, is secretary. (Picture on page 35)

### New England Unit Opens Year

At its initial meeting of the year, the New England Association of Credit Executives, Inc., had as speaker Dr. William H. Stewart, of Northeastern University, whose theme was "People Are a Problem." Dr. Stewart has served as professor of sales and advertising and director of the evening college of liberal arts of Northeastern U. and also taught at Burdett College.



AT PRESENTATION of Fellow Awards, National Institute of Credit, by Cleveland Association of Credit Management. Left to right: Morris Richman, Burdett Oxygen Co., association president; Mrs. Lucy Killmer, Guarantee Specialties Manufacturing Co., who headed the committee which provided a refresher course prior to the taking of the examination; David H. Hotchkiss, Petrequin Paper Co., who presented the Awards; and recipients, P. R. Wren, Bobbie Brooks, Inc.; Mike Bogas, Campus Sweater & Sportswear; Al Ferritto, Parker-Hannifin; Alice Keil, Millcraft Paper; Tom Walton; T. J. Andres, Sherwin Williams Co.; H. N. Burgner, Lempco Automotive, Inc. Not in picture: John E. Herrmann, Standard Tool Co.

## Panelists Discuss Credit-Sales Liaison At Six-State New England Conference



**NACM PRESIDENT** greets New England Conference leaders at Boston. (L to R) Ralph H. Mullane, vice president, Liberty Mutual Insurance Co.; William L. Holmes, president of the National Association of Credit Management, assistant treasurer and general credit manager of Schlumberger Well Surveying Corp., Houston; Albert Pauly, New England Association president, credit manager, Samuel Cabot, Inc.; and George E. Phalen, assistant vice president, First National Bank of Boston, New England association's second vice president and Conference chairman. Mr. Mullane is a director of NACM.

**P**ANEL discussion of liaison between credit and sales executives shared interest with formal addresses on the economy, Congress, management, and financial statements at the annual New England Conference, in Boston. Participating were affiliated credit associations of the district, from Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island and Vermont.

At the banquet opening the two-day gathering, William L. Holmes, presi-

dent National Association of Credit Management, extended greetings of National to the conference. U. S. Senator Leverett Saltonstall in his keynote address retraced the problems which confronted the 86th Congress at its first session and presented the highlights of what it had accomplished, in terms of the national economy and world conditions.

Dr. Charles F. Phillips, president of Bates College, Lewiston, Maine, introduced the second day's forenoon

*Life's greatest achievement is the continual re-making of yourself so that at last you know how to live.*

—Winfred Rhodes

meeting with analysis of "Our Economy and Tomorrow".

William P. Layton, NACM's director of education, was moderator of the sales-credit panel study. Panelists representing sales executives were Robert W. Forster, Minneapolis-Honeywell Regulator Co., and Herbert C. Williamson, Jr., The General Fireproofing Co. For credit executives the speakers were Harley T. Blake, E. Van Noorden Co., and Richard L. Bellenoit, Johnson Steel & Wire Co., Inc.

### Management in Change

After Dr. Frank Murphy, psychiatrist, had pictured the lighter side at the luncheon session, Bernard A. Torri, coordinator of the Boston Insurance Group, spoke on the changing picture in management.

"A New Look at Financial Statements" was provided by Rae D. Anderson, vice president and dean of the faculty of Bentley School of Accounting and Finance.

Albert Pauly, credit manager Samuel Cabot, Inc., Boston, is president of the host unit, the New England Association of Credit Executives, Inc.



**AMONG MEMBERS** of newly organized Huntsville (Ala.) Association of Credit Management. (Left to right), first row, Judge H. L. Pennington, counselor, Huntsville Lumber Co.; D. C. Lond, London's Inc., chairman of collections; Dick Van Valkenburgh, Huntsville Building Material Co., Interchange; Dawson George, Murphree Mortgage Co., membership; Tom Warren, Pate Supply Co., vice pres.; William Hopper, Hopper Hardware & Mill Supply Co., pres. Other companies represented in the picture are L. Miller & Son, Jaco Wholesalers, Huntsville Roofing Co., Ray Lumber Co., K & M Paint & Glass, Wilson Lumber Co., Madison Limestone Co., Johnston Concrete Products, Huntsville Brick & Tile Co., Gunn Lumber Co.

## CALENDAR OF EVENTS IMPORTANT TO CREDIT

**SPOKANE, WASHINGTON**

*March 17-18*

Northwest Credit Conference, including Idaho, Oregon, Washington and British Columbia

**DALLAS, TEXAS**

*April 20-22, 1960*

Annual Conference of the Southwest Petroleum Credit Association

**ST. LOUIS, MISSOURI**

*May 12-14*

Annual Meeting of the NACM Affiliate Local Association Secretary-Managers

**ST. LOUIS, MISSOURI**

*May 15-19, 1960*

64th Annual Credit Congress

**ST. PAUL, MINNESOTA**

*September 16-17, 1960*

North Central Credit Conference including Minnesota, North Dakota, Manitoba

**NEW YORK, NEW YORK**

*September 29-30, 1960*

New York Credit Management Workshop

**NEW YORK, NEW YORK**

*October 9-12, 1960*

36th Annual Conference of American Petroleum Credit Association

**PHOENIX, ARIZONA**

*October 17-19, 1960*

Annual meeting of the Secretary-Managers of the local associations of the Western Division.

**DES MOINES, IOWA**

*October 19-21, 1960*

Tri-State Credit Conference, representing Iowa, Nebraska and South Dakota.

**CINCINNATI, OHIO**

*October 20-21*

Ohio Valley Regional Credit Conference, including Ohio, Western Pennsylvania, West Virginia, Kentucky and Eastern Michigan.

**SAN DIEGO, CALIFORNIA**

*October 20-21, 1960*

Pacific Southwest Credit Conference, including California, Arizona, Utah, Colorado, Nevada

**BALTIMORE, MARYLAND**

*October 20-22, 1960*

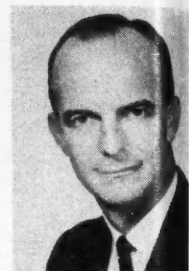
NACM Eastern Division Credit Conference



PANELISTS discuss bankruptcy and mail frauds at meeting of The Chicago-Midwest Credit Management Association. Left to right: L. B. Clark, Signode Steel Strapping Co., chairman of the association's Fraud Prevention committee and former FBI agent; Nicholas G. Manos, attorney and former assistant U. S. attorney; James B. Parsons, assistant U. S. attorney who was the prosecutor in the Mercury Wholesale Sales fraud case in which the principals were convicted and sentenced to prison; John C. Fredell, counsel and director Fraud Prevention Department, National Association of Credit Management; Harold S. Lansing, attorney, Blanksten & Lansing, the moderator.

### B. H. Badger Joins NACM Staff As Special Field Representative

Beverly H. Badger, former assistant to George E. Lawrence, secretary and executive manager of the Dallas Association of Credit Management, has joined the staff of the National organization as special field representative. Mr. Badger will assist local associations in their membership and promotion programs, development of committee activities, group and meeting programs.



B. H. BADGER

Mr. Badger, who is officially attached to the NACM Chicago office, was born in Fargo, N.D., moved to Oklahoma as a youth, and received his B.S. degree in business administration from Oklahoma State University. He was associated with General Electric Company at Bridgeport, Conn., in its business training program until he entered the Army in 1941. After periods as Infantry and Air Force instructor he left the Service as a lieutenant in 1945.

Following experience in merchandising and insurance he joined the staff of the Oklahoma City Credit Association. A year later he was invited to the Dallas affiliate.

Mr. and Mrs. Badger, who is a graduate of Baylor University, have a son and two daughters.

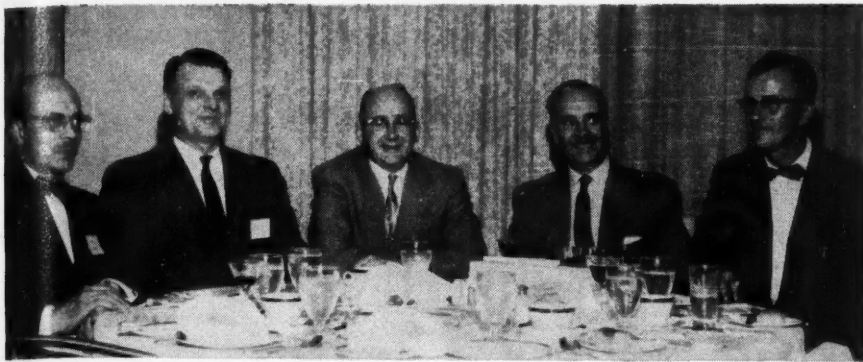
### Greig Is Succeeding Worters as British Associations' Secretary

C. McNeil Greig has been appointed acting secretary of the International Association for Promotion and Protection of Trade, Ltd., London, and Ian Hall has been made secretary of the Institute of Credit Management.

Mr. Greig has also been named secretary of the Hire Purchase Trade Association and all other organizations of which Charles C. Worters previously was secretary. Mr. Worters, who has been on extended sick leave, was to have retired this March. Mr. Greig's IAPPT secretaryship becomes fully effective at that time.

Mr. Greig was host at a dinner for members of the Foreign Credit Interchange Bureau, NACM, at the International Credit Conference in London.





**AMONG ASSOCIATION LEADERS** attending the banquet at the Canadian Credit Management Workshop were Eric T. C. Burke, general manager The Canadian Credit Men's Trust Association, Ltd., Toronto; William P. Layton, managing director of NACM's Credit Research Foundation, New York; James Game, past national president CCMTA, Regina; Merle W. Osborne, national president, Toronto; and A. J. Hunter, national vice president Saskatoon.

### 66 Executives Attend Canadian Credit Management Workshop

Sixty-six registrants, representing 15 cities in Canada, and Boston, New York and Toledo, met at the Park Plaza hotel in Toronto for the third Canadian Credit Management Workshop, presented by the Credit Research Foundation of the National Association of Credit Management, under the sponsorship of The Canadian Credit Men's Trust Association, Ltd. William P. Layton, Foundation managing director, was Workshop director. The discussion topic was "Customer Counseling."

At the opening exercises the "students" were welcomed by Merle W. Osborne, CCMTA president; I. A. Folk, president Ontario Division, and Eric T. C. Burke, general manager of the association.

In the orientation period which followed, short talks were given by the Workshop director and the four discussion leaders: Paul E. George, assistant to the president, Columbian Rope Co., Auburn, N.Y.; Richard B. Johnson, systems training director Consolidated Natural Gas System, Pittsburgh; William T. Sharwell, personnel research supervisor American Telephone and Telegraph Co., New York; and Arthur Shedlin, management consultant, Arthur Shedlin Associates, Woodstock, Ill.

Immediately after the orientation period all registrants were guests of the CCMTA at a get-acquainted party.

Two full days of discussions followed, with summaries the last afternoon.

A fellowship hour and banquet were extracurricular features.



**IN TRIBUTE** to his two decades of service to The Credit Men's Association of Eastern Pennsylvania, J. Stanley Thomas, secretary and manager, was presented the 20-year NACM Gold Pin at the Christmas Party, by James W. Sattazahn, of Scott Paper Company, association president. Left to right: J. A. Eiseman, The First Pennsylvania Banking and Trust Co., v.p. and asst. treas.; G. W. Schaible, General Electric Co., v.p.; R. P. Wray, Hajoca Corp., councillor; Mr. Sattazahn; Mr. Thomas; H. J. Ulkloss, Jr., The Electric Storage Battery Co., v.p.; and B. E. Van Dyke, The Esterbrook Pen Co., v.p.

## PERSONNEL MART

### GENERAL CREDIT EXECUTIVE

**INDUSTRIAL** manufacturing concern needs individual with excellent administrative and executive ability with top level experience in all phases of credit operations. Individual will be responsible for all credit functions of company. Accounting degree desirable. Please submit complete resume to CFM Box #489.

### Finance Company Executive

**CHALLENGING POSITION** opening up shortly for young executive 30-40 with heavy operative and administrative experience in wholesale and retail financing, including consumer instalments. Small appliances and hardware, principally in Eastern and Mid-western states at present, but rapidly expanding nationwide. Salary open. Reply: CFM Box #485.

### Credit Executive Available

**EXCELLENT** 10 year highly diversified credit management background. Successfully demonstrated ability to handle:

- \*Formulation credit policy at national level

- \*Coordinate and manage a multidivisional program

- \*Consolidation, merger, liquidation of receivables

- \*Direct management experience in commercial, industrial, distributor, dealer, retail and sales finance receivables.

College degree—married—age 35. Free to travel extensively and relocate immediately. CFM Box #486.

### Experienced in Credit, Sales

#### EXECUTIVE SEEKS CHANGE

- \* College Graduate, Age 31, Married
- \* Credit, Sales Promotional & Management Experience in Merchandising

- \* Adept in Systems and Procedures Prefer Mid-Atlantic States area. CFM Box #487.

### Credit Executive Available

**SEVENTEEN YEARS** of successful credit administration for Manufacturing, Wholesale, and Industrial Companies. Will relocate and can make a token investment of \$10,000 to \$15,000. CFM Box #488.



F. J. MINARD



MRS. FORD

## Executives in the News



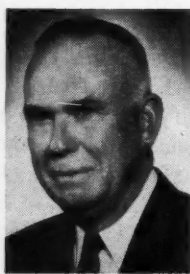
D. M. KLASTRUP



L. R. EDMONDSON



R. C. HASKEL



W. E. FOSTER

### **Range of Civic-Professional Interests Engages Nebraskan**

Service clearly is a creed of Francis J. Minard, president of the Lincoln (Nebraska) Association of Credit Men. A past national director United States Junior Chamber of Commerce, Mr. Minard is trustee of the Cedars Home for Children, member city Power Advisory Board, church elder, past president and life member Sertoma Club of Lincoln.

Mr. Minard is credit manager and chief accountant, Lincoln Drug Company, with which he began in 1952 following 14 years with Schimmel Hotels as auditor.

### **Enthusiasm Contagious, She Is Chosen to Lead Unit**

Not one to rest on natural gifts, comely young Juanita (Mrs. John H.) Ford proves verity of the saying "handsome is as handsome does." Mrs. Ford recently was named presi-

dent of the Knoxville (Tenn.) Wholesale Credit Association, following terms as vice president, treasurer, director and chairman of public relations. She is a past president of Theta chapter, Beta Sigma Phi.

Texas-born, Mrs. Ford went to Tennessee in 1953. She has been with Power Equipment Company, credit and accounting department, since 1954.

### **Honors to Kodak Executive For Professional Endeavor**

Recipient in 1959 of the Alumni Association Honor Merit Award of the NACM Graduate School of Credit and Financial Management, Dartmouth, Donald M. Kladstrup now has won additional honors in election as president of the Rochester (N.Y.) Credit and Financial Management Association. Mr. Kladstrup, a CPA, is assistant general credit manager of the Eastman Kodak Company, with which he began as trainee in the stock and credit departments in 1939.

Following World War II service as lieutenant colonel in the Air Technical Service Command, Mr. Kladstrup was for eight years treasurer and office manager Kodak Hawaii, Ltd., Honolulu.

### **Horseshoe Pitching, Youth Guidance Attract Hoosier**

For the kernel of his credit philosophy, readers are referred to L. R. Edmondson's article in the January '59 issue (page 14). Now Mr. Edmondson, credit manager of Eli Lilly & Company, Indianapolis, has been honored with election to the presidency of the Indianapolis Association of Credit Men.

Mr. Edmondson has served as first

president of the Danville (Ind.) Babe Ruth League and of the county Rural Youth Organization. Skill in horseshoe pitching placed Mr. Edmondson eighth in the world's championship tournament in 1948; he is two-time champion ringer marksman of central Indiana.

### **New Jersey Treasurer with Manufacturer Over 25 Years**

Treasurer and credit manager of Shoup-Owens Inc., paper box manufacturers of Hoboken, N.J., W. E. Foster has been named president of the New Jersey Association of Credit Executives. Mr. Foster was chairman of the Drug, Cosmetic and Chemical Association in 1939-40.

Native of Harrisburg, Pa., Mr. Foster went to work for Hershey Chocolate Company on high school graduation. After 15 years in Pennsylvania and New York offices, he went with Shoup-Owens in 1931 in credit and accounting. He advanced in 1942 to his present post as treasurer and credit manager.

### **Another Presidency for Texas Utility Manager**

By virtue of recent election of R. Cliff Haskel to the presidency of the Southwest Texas Wholesale Credit Men's Association, Inc., San Antonio, and prior posts as president National Office Management Association, and as president Highland Park Lions Club, a portrait of leadership and service is clearly drawn. Add to the foregoing: the honorary gold Life Membership card of the Chamber of Commerce, awarded to him recently.

Mr. Haskel is manager of Southwestern Bell Telephone Company in San Antonio, his birthplace.



## *Snug harbor for shipping*

**The future of the Port of New York looks good to the people at Chase Manhattan**

Counting sleek liners, low-slung tankers, and freighters from far-off ports, a ship now enters or leaves New York Harbor every 20 minutes.

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